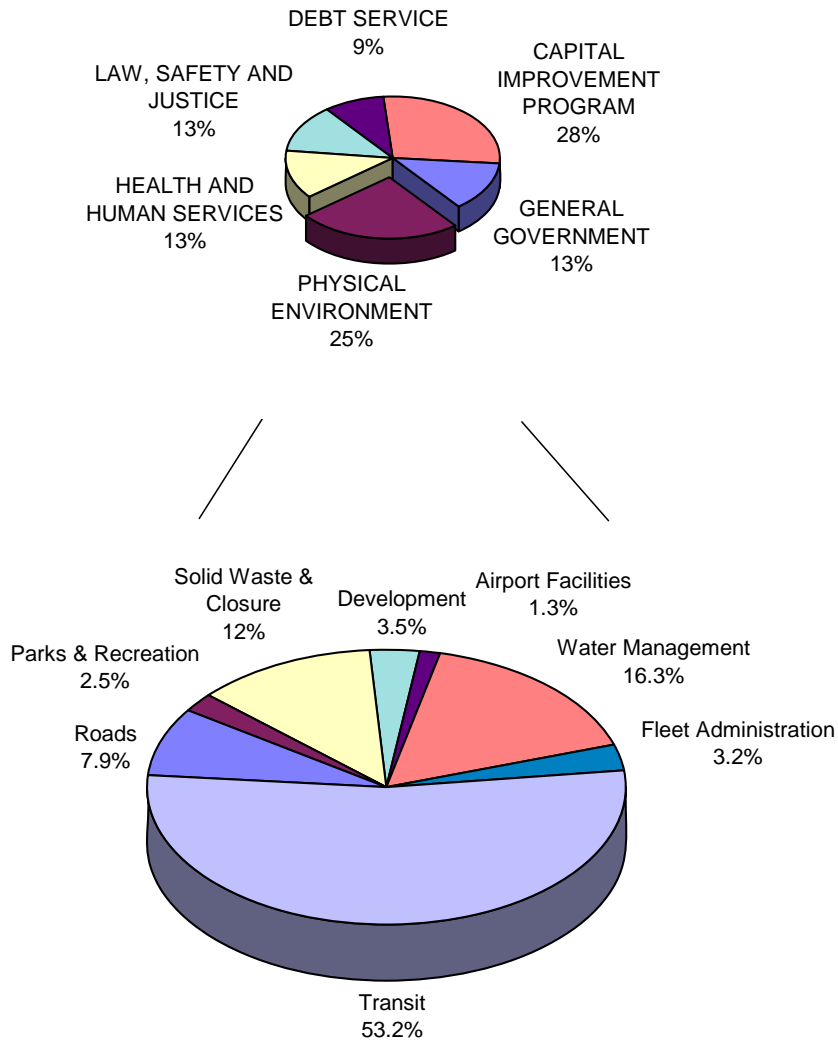


# PHYSICAL ENVIRONMENT

## Physical Environment \$953 Million



Organization of the Pie Chart: The following agencies were combined to make the pie chart more readable.

**Roads:** Roads and Stormwater Decant

**Parks & Recreation:** Parks & Recreation, Youth Sports Facilities Grants.

**Solid Waste & Closure:** DNR Admin., Solid Waste, Post-Closure Landfill Maintenance, DNR GIS Management.

**Development:** Development & Environmental Services

**Water Management:** Intercounty River Improvement, River Improvement, Water & Land Resources (SWM), Wastewater Treatment, Noxious Weeds, and Rural Drainage.

**Fleet Administration:** Motor Pool Equip Rental, Equipment Repair & Replacement, Transit Non-Revenue Vehicles, Transit Fleet Replacement, and Water Pollution Control Equipment.

**Transit:** Transit

Due to rounding, figures may not add to 100%.

Source: Program Plan Summary Page (Found at the end of the section).

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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### PROGRAM EXPLANATIONS

#### INTRODUCTION

The Physical Environment Program supports all services related to building and land use permitting, community and regional parks, various recreational programs, solid waste disposal, surface water management, wastewater treatment, roads and transit operations. These services are delivered by three County departments:

- Department of Development and Environmental Services (DDES),
- Department of Natural Resources and Parks (DNRP), and
- Department of Transportation (DOT).

These departments are supported by dedicated funding sources and, through careful financial management, are dedicated to providing services that enhance the quality of life and economic vitality of the Puget Sound region.

#### **The Department of Development and Environmental Services (DDES)**

The core business of the Department of Development and Environmental Services (DDES) is the regulation and permitting of all building and land development activity in unincorporated King County. DDES regulates those areas of the county in transition from urban unincorporated to cities and those zoned to remain rural unincorporated. Contracts are occasionally entered into with cities to provide minor permitting services to those cities and that practice will continue in 2007.

Due to regular fluctuations in economic activity, the Department's business model approach requires a regular adjustment of staffing, business practices and customer service levels. The 2007 activity forecast for the building and land development industry, as developed by DDES in consultation with industry representatives, calls for continuance of 2006 business levels, with a tapering off beginning in 2008. The department will continue to take advantage of efficiency opportunities in the processing of permits and shift resources appropriately.

**The Department of Natural Resources and Parks (DNRP)** serves as the steward of the region's environment by protecting the water, land and natural habitats, safely disposing of and reusing wastewater and solid waste, and providing natural areas, parks, regional trails and recreation programs. It provides these services through six divisions: DNRP Administration, GIS Center, Wastewater Treatment Division, Water and Land Resources Division, Solid Waste Division, and the Parks and Recreation Division. The 2007 Executive Proposed Budget for the DNRP divisions highlights the County's continued commitment to providing efficient and effective services to the community through sound financial management practices. The highlights of the 2007 Executive Proposed Budget for DNRP are as follows:

- **DNRP Administration:** The 2007 Executive Proposed Budget for DNRP Administration provides funding to continue to allow DNRP Administration to provide Department-wide leadership in support of the county's environmental and rural initiatives. The budget features the addition of a new TLT to support the Executive's rural initiative.
- **Geographic Information System (GIS) Center:** The GIS Center provides county users with a single point of accountability for equitable access to consistent and accurate GIS data and products. The 2007 Executive Proposed Budget for the GIS Center makes investments in the Center's technology capabilities in order to ensure that the center provides the most accurate, up-to-date, and efficient data to its clients. In addition, the 2007 Executive Proposed Budget makes several account adjustments to allow the GIS Center to provide cost-effective services to its clients.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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- **Parks and Recreation Division:** The Parks and Recreation Division administers a system of regional parks, regional trails, and recreational facilities. The division will continue to administer existing local parks in unincorporated King County where the county is the only local service provider. Consistent with the division's business plan, the division also administers a limited number of facilities in the unincorporated urban growth area, until such time as these facilities are transferred to cities in the county. The 2007 Executive Proposed Budget reflects the transfer of Parks facilities as a result of the 2006 annexation of South Cove by the City of Issaquah, the anticipated March 1, 2007 annexation of East Renton, and the January 1, 2007 transfer of the Fairgrounds to the City of Enumclaw. Together, these facility transfers will save the division over \$490,000, \$14,000 of which is savings to the Current Expense (CX) Fund.

In the 2007 Proposed Budget, the division is funded primarily by the Parks Levy (\$12.6 million), which commenced in 2004. The remaining funding for the Parks Division (approximately \$9.5 million) comes from various business revenues such as user fees and entrepreneurial efforts, Real Estate Excise Tax (REET) funding for Capital Improvement Program (CIP) planning, and a CX Fund transfer of approximately \$3 million, which supports the remaining Parks facilities and programs located in the urban growth areas of the county. The Parks Levy expires at the end of 2007. The division, in the remainder of 2006 and in 2007, will continue planning efforts for long-term funding, with the likelihood of working with the King County Council to place a levy renewal measure on the ballot in 2007.

- **Solid Waste Division (SWD):** SWD protects public health by administering the safe transfer and disposal of solid waste through a regional system of transfer stations and a regional landfill. The division's financing is generated through disposal fees. Solid Waste originally planned to seek a fee increase for 2007. Sound financial management practices mean that Solid Waste can maintain a stable tipping fee of \$82.50 per ton until 2008.
- **Wastewater Treatment Division (WTD):** WTD improves water quality and protects public health by transporting and treating sewage and safely disposing of biosolids. The division's financing is generated through a regional sewer rate collected from the component sewer agencies and a capacity charge on new sewer hook-ups. King County adopted an increased sewer rate and capacity charge for 2007. The monthly sewer rate will increase from \$25.60 in 2006 to \$27.95 in 2007 and the capacity charge will increase from \$34.05 in 2006 to \$42.00 in 2007. King County intends to maintain the sewer rate through 2008 by using a rate stabilization reserve. In 2007 an additional \$5.8 million will be placed in the reserve, making a total reserve of \$20 million which will be used in 2008. The 2007 sewer rate and capacity charge were set to generate operating revenue sufficient to meet the minimum required debt service coverage ratios under WTD's adopted financial policies.
- **Water and Land Resources Division (WLRD):** WLRD improves water quality and protects the environment by administering the surface water drainage utility for unincorporated King County, the regional flood control programs and facilities and a variety of stewardship programs to protect watersheds, and rural and resource lands. Financing for the division is provided from a variety of sources, including a drainage fee in the unincorporated area, river improvement levy, noxious weed assessment, interfund transfers from the Wastewater Treatment Division and the Local Hazardous Waste program, contract payments from cities, and grants. The 2007 Executive Proposed Budget for the WLRD is designed to maintain the current level of service in the face of inflationary pressures and to meet new state and federal regulatory requirements. Central to accomplishing this goal is a proposed 9 percent increase in the Surface Water Management (SWM) fee. This fee has remained unchanged since 2002. The 2007 Executive Proposed Budget continues the County's commitment to a number of important programs, including salmon conservation and watershed management, the Critical Areas Ordinance (CAO), Culver/WaterWorks Block Grants, and the King Conservation District.

**The Department of Transportation (DOT)** is comprised of several divisions that provide services related to public transportation, community outreach on transportation issues, road construction and maintenance, regional aviation, and fleet management. Like DNRP, the 2007 Executive Proposed Budget for the DOT divisions highlights the County's commitment to providing efficient and effective services to the community through sound financial management practices. The highlights of the 2007 Executive Proposed Budget for DOT are as follows:

- **DOT Director's Office** provides leadership, advocacy, and support for the Department. The Director's staff maintains good relations with DOT's customers and the community through inter-governmental, community, and media relations; transit-oriented development projects; and transportation planning.
- **The Transit Division** provides and coordinates countywide bus service; manages vanpool and rideshare systems; and provides paratransit services for elderly and/or disabled riders. Transit also works with Sound Transit to integrate and prepare for implementation of rail and bus services in 2007 and beyond. The 2007 Executive Proposed Budget for Transit features assumptions for modest gains in ridership and the expansion of 20,000 annual hours of bus service in the eastern and southern portions of King County. The 2007 Executive Proposed Budget also assumes additional increases in the cost of diesel fuel and gasoline. The 2007 Executive Proposed Budget provides Transit with over \$4.6 million to continue start-up work associated with Sound Transit's Central Link light rail system as well as the City of Seattle's South Lake Union Streetcar. Lastly, the 2007 Executive Proposed Budget includes reductions totaling \$4.3 million in an effort to mitigate increased cost growth for key inputs such as diesel fuel and salary and benefit costs.
- **The Road Services Division** strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements, while ensuring the preservation of the existing transportation system. The 2007 Executive Proposed Budget for the Road Services Division focuses on the core businesses of protecting the current road infrastructure, improving traffic and arterial use efficiencies, and focusing on environmental initiatives. Due to efficiencies in its roads overlay program, the Roads Services Division will increase its overlay pavement program by six centerline miles in 2007. The 2007 Executive Proposed Budget also invests resources to allow the Roads Services Division to comply with new federal permit requirements for increased water quality monitoring and reporting.
- **The King County International Airport (KCIA)** supports the economic vitality of the county, the National Air Transportation System, and provides safe and continuous general aviation airport services. The 2007 Executive Proposed Budget for the King County International Airport (KCIA) assumes that operations in 2007 will remain essentially the same as for 2006. The budget does not include any redevelopment proposals or major changes in operating structure. With runway work completed in 2006, the Airport expects landing fee revenues to rebound in 2007. The proposed adjustments to the budget emphasize infrastructure management, maintenance of airport systems, and improved service.
- **Fleet Administration Division** manages the County's non-revenue vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund.

# Development and Environmental Services

## *DEVELOPMENT AND ENVIRONMENTAL SERVICES*

### ***Mission***

#### **Development and Environmental Services**

To serve, educate and protect our community through the implementation of King County's development and environmental regulations.

### ***ISSUES AND PRIORITIES***

The Department of Development and Environmental Services (DDES) will complete its seventh consecutive year with a positive fund balance in 2006. All activities related to permitting are entirely self-supporting. Permitting, which is made up primarily of the

activity of the building and land development industry, is the most significant influence on DDES operations. Consequently, it is important to have an accurate forecasting model. To forecast as accurately as possible, King County surveys a cross-section of its customers each year to determine their business plans for the next 18 months. This information has historically provided DDES with accurate short-term forecasts. Current forecasts indicate that permitting levels should continue to hold steady through 2007 as long-term interest rates remain at low levels.

Recent permitting history includes a time of decline in 2000 and 2001, followed by resurgence in activity through 2004. Since that time, permitting activity has remained steady. To be able to respond to such fluctuations in business activity is a key requirement for DDES. To accomplish this, the agency continues to invest in systems improvements. Additionally, in accordance with council adopted policy, the DDES budget includes a contingent expenditure authority to address unanticipated levels of permit activities. The 2007 budget provides a contingency to cover \$975,000 and five positions to address unanticipated increases in demand for services of up to 15 percent.

DDES will continue to regulate spending and staffing to the level required by customer demand and business activity. In 2007, the department plans to add five positions. Three of these positions are to provide additional service to King County residents at no charge. Two will assist property owners with critical areas compliance, and one, a rural permit coordinator, will help rural permit applicants with all aspects of permitting. The final two new positions will provide support in Urban Planned Development and in Accounts Receivable. Along with these position additions, the county will continue to provide convenient public information on the website and in the permit centers. Other highlights that reflect the county's commitment to customer service and to making the permitting system more transparent and comprehensible to the public include:

- More responsive turn around times on public inquiries.
- Improved coordination with other county agencies and with state and federal agencies on permitting issues.
- The Rural Initiative, focusing on addressing the economic needs of rural property owners through an analysis of zoning regulations
- An Agricultural Team of dedicated staff to assist applicants with agricultural-related permits.
- Improved coordination of building code and fire code requirements.
- The Code Enforcement Community Initiative to better align priorities with individual communities.

The Current Expense (CX) Fund will continue to support three areas in DDES in 2007: Fire Investigation; Code Enforcement and Zoning and Grading; and Critical Areas Rural Support. The 2007 budget maintains funding for these services and provides for the addition of a rural permit coordinator. Other changes to these CX funded sections include an addition of \$10,000 to accommodate a revised cost model for the distribution of overhead charges to the Fire Investigation Unit. The final adjustment of \$57,704 includes an increase of funding for overtime and duty assignment in Fire Investigations and Code Enforcement, as well as a reduction due to a revision of the cost allocation model for the Fire

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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Marshal's time spent on fire investigations.



**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Development and Environmental Services 1340/0325**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		2006 Adopted	31,344,762	234.50	4.00
	<i>PE</i>	Status Quo*	1,434,025	0.00	0.00
		<b>Status Quo Budget</b>	<b>32,778,787</b>	<b>234.50</b>	<b>4.00</b>
<b>Council Changes</b>					
CC01		Improve & Monitor the Quality of Phone Service Delivery/Response	35,000	0.00	0.00
CC02		Convert FTEs into TLPs for Critical Areas	0	(2.00)	2.00
CC39		Council COLA Adjustment	(51,707)	0.00	0.00
			<b>(16,707)</b>	<b>(2.00)</b>	<b>2.00</b>
<b>Expanded Service Delivery</b>					
PC01		CX Funded Rural Permit Coordinator	89,688	1.00	0.00
RB03		Additional Support in Urban Planned Development	90,632	1.00	0.00
			<b>180,320</b>	<b>2.00</b>	<b>0.00</b>
<b>Improved Service Delivery</b>					
RB01		Additional Critical Areas Support	200,264	2.00	0.00
RB02		Additional Accounts Receivable Support	58,219	1.00	0.00
			<b>258,483</b>	<b>3.00</b>	<b>0.00</b>
<b>Increased Efficiencies</b>					
TA01		O&M Account Adjustments	(59,825)	0.00	0.00
TA02		Position Reclassifications	64,008	0.00	0.00
TA03		Overtime Adjustments	1	0.00	0.00
TA05		Position Realignment	864	0.00	0.00
			<b>5,048</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA50		Revenue Adjustment	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	(92,050)	0.00	0.00
CR06		Healthy Workplace Fund	125	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	(6,758)	0.00	0.00
CR08		Technology Services Infrastructure Charge	1,421	0.00	0.00
CR09		Geographic Information Systems Charge	30,799	0.00	0.00
CR10		Office of Information Resource Management Charge	(431)	0.00	0.00
CR11		Telecommunications Services	800	0.00	0.00
CR12		Telecommunications Overhead	1,727	0.00	0.00
CR13		Motor Pool Usage Charge	4,270	0.00	0.00
CR14		Facilities Management Space Charge	(12,623)	0.00	0.00
CR15		Insurance Charges	(22,861)	0.00	0.00
CR16		Radio Access	2,390	0.00	0.00
CR17		Radio Maintenance	959	0.00	0.00
CR19		Radio Reserve Program	1,425	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	56,843	0.00	0.00
CR21		Debt Service Adjustment	(32,567)	0.00	0.00
CR25		Financial Services Charge	24,006	0.00	0.00
CR39		COLA Adjustment	59,391	0.00	0.00
CR46		Countywide Strategic Technology Projects	12,712	0.00	0.00
			<b>29,578</b>	<b>0.00</b>	<b>0.00</b>

Development and Environmental Services 1340/0325

2007 Adopted Budget	33,235,509	237.50	6.00
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\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

EXPENDITURE RESTRICTION:

Of this appropriation, \$200,264 and 2 TLTs shall be used only for two Environmental Scientist III positions to support the critical areas review section.

EXPENDITURE RESTRICTION:

Of this appropriation, \$35,000 of the current expense allocation shall be expended solely for the purpose of ensuring that phone service is improved by reducing the amount of time persons making phone inquiries must remain on-line before leaving a message or speaking with a staff member. This expenditure also shall be used by the department to create and monitor performance measures relating to phone service by staff to ensure timely responses to inquiries received.

The executive shall file a report on phone service improvements by July 31, 2007, in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the growth management and natural resource committee, or its successor.

PROVISO:

Of this appropriation, \$100,000 shall be not be expended unless the executive submits to the council a report on the rural permit coordinator focusing on the following: (1) the number of permits and inquiries that the rural permit coordinator could be expected to receive over a calendar year, based on historical levels of permit activity in the Rural Area; (2) whether there has been a discernable improvement in the amount of time and costs for permit approval for rural residents; (3) what efforts have been made by the department to maximize the interaction between the rural permit coordinator and rural residents, by seeking to find locations in the three primary rural areas, which are the Snoqualmie Valley, Maple Valley/Enumclaw and Vashon Island for the rural permit coordinator to be located on a rotating basis; (4) what efforts have been made to coordinate with the rural ombudsman to address or identify emerging issues that uniquely affect the lives of rural residents; and (5) the response of rural residents as to the impact or perceived effectiveness of recently adopted regulations for home-based businesses for improving their ability to sustain a business.

The executive shall file the report by July 31, 2007, in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the growth management and natural resources committee, or its successor.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### ***PROGRAM HIGHLIGHTS***

The 2007 Budget for the Department of Development and Environmental Services is \$33,235,509 and includes funding for 237.50 FTEs.

#### **Expanded Service Delivery**

**CX Funded Rural Permit Coordinator - \$89,688 / 1.00 FTE.** This request will add a current expense funded position to provide service at no charge to rural customers to help navigate the county's permitting process and provide assistance in understanding critical area issues.

**Additional Support in Urban Planned Development - \$90,632 / 1.00 FTE.** This request adds an Engineer II to the Urban Planned Development team to assist with increased needs in performing plan review for areas appropriate for large-scale, cohesive developments in King County.

#### **Improved Service Delivery**

**Additional Critical Areas Support - \$200,264 / 2.00 FTEs.** This request adds two Environmental Scientist III positions to the Critical Areas team. These new positions will provide assistance free of charge to help property owners with critical areas compliance and will be available both at the DDES facility and for site visits.

**Additional Accounts Receivable Support - \$58,219 / 1.00 FTE.** This request will add a Fiscal Specialist II to support Accounts Receivable, and would be responsible for collection, billing hotline management, reconciliation, and refunds related to DDES permits.

#### **Increased Efficiencies**

**O&M Account Adjustments – (\$59,825).** This request aligns resources to more accurately represent agency needs. The primary changes are in the postage, advertising, and training accounts.

**Position Reclassifications - \$64,008.** These position changes represent step adjustments and reclassifications and are part of the department's routine personnel management.

**Overtime Adjustments - \$1.** This request shifts overtime funds from Fire Inspection for new construction to Building Inspections.

**Position Realignment - \$864.** This request will replace an applications developer with an IT project manager in the information systems section. This project manager position will better meet the department's needs as they move forward with projects like the Permit Integration Enhancement Systems project.

#### **Technical Adjustments**

**Central Rate Adjustments – \$29,578.** A net increase in central rates is reflected in the 2007 proposed budget. The most significant reduction occurred in the Overhead Cost Allocation charge, while the primary increases were in the GIS O&M and the Prosecuting Attorney charges.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

DDES / 1340

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	9,305,278	7,450,069	13,792,931	12,655,726	11,097,485	9,778,354
<b>Revenues</b>						
Fee Receipts	26,024,189	24,723,315	24,723,315	25,470,343	24,196,826	25,406,667
Other Revenues	1,306,382	1,083,677	1,083,677	1,293,724	1,293,724	1,293,724
Investment Interest	1,405,200	250,000	250,000	400,000	400,000	400,000
Operating Contingency		958,340	958,340	977,905	977,905	977,905
CX Transfers	2,805,846	2,988,945	3,152,269	3,465,290	3,292,026	3,127,424
<b>Total Revenues</b>	31,541,617	30,004,277	30,167,601	31,607,262	30,160,480	31,205,720
<b>Expenditures</b>						
Salaries and Benefits	(20,962,168)	(22,937,124)	(22,937,124)	(24,101,545)	(22,896,468)	(21,751,644)
Supplies and Contracts	(972,602)	(1,662,109)	(1,662,109)	(1,544,937)	(1,943,752)	(1,943,752)
Intragovernmental Services	(4,481,494)	(4,805,793)	(4,805,793)	(4,968,163)	(5,216,571)	(5,477,400)
Capital and Others	(432,228)	(964,736)	(964,736)	(1,645,864)	(514,327)	(514,327)
Operating Contingency		(975,000)	(975,000)	(975,000)	(975,000)	(975,000)
Encumbrance Carryover			(23,089)			
<b>Total Expenditures</b>	(26,848,492)	(31,344,762)	(31,367,851)	(33,235,509)	(31,546,118)	(30,662,123)
<b>Estimated Underexpenditures</b>			63,045	70,006	66,506	63,180
<b>Other Fund Transactions</b>						
Designated Contingencies	763					
Class/Comp Prior Prd Adj	(206,235)					
<b>Total Other Fund Transactions</b>	(205,472)	0	0	0	0	0
<b>Ending Fund Balance</b>	13,792,931	6,109,584	12,655,726	11,097,485	9,778,354	10,385,131
<b>Reserves &amp; Designations</b>						
Reserve for Staff Reduction		(445,578)	(445,578)	(456,272)	(469,960)	(484,059)
Reserve for Revenue Shortfall		(1,095,891)	(1,095,891)	(1,273,517)	(1,209,841)	(1,270,333)
Reserve for Technology Replacements		(1,047,375)	(1,047,375)	(1,099,744)	(1,154,731)	(1,212,467)
Reserve for Fee Waivers & Unanticipated Costs		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Reserve for Encumbrances	(23,089)					
Designated for DDES	(2,522,508)					
Designated for Equipment Replacement	(965,241)					
<b>Total Reserves &amp; Designations</b>	(3,510,838)	(3,588,844)	(3,588,844)	(3,829,533)	(3,834,532)	(3,966,860)
<b>Ending Undesignated Fund Balance</b>	10,282,093	2,684,064	9,003,837	7,267,953	5,943,821	6,418,272
<b>Target Fund Balance <sup>4</sup></b>	<b>1,342,425</b>	<b>1,567,238</b>	<b>1,568,393</b>	<b>1,661,775</b>	<b>1,577,306</b>	<b>1,533,106</b>

## Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR.

<sup>2</sup> 2006 Estimated is based on 1st quarter Financial Report.

<sup>3</sup> 2008 and 2009 Projected are based on the following:

2008: Decrease fee revenue and CX funding by 5% each, decrease salaries and benefits by 5% , and increase intergovt by 5%.

2009: Increase fee receipts by 5%, decrease CX funding by 5%, decrease salaries and benefits by 5%, and increase intergovt by 5%

<sup>4</sup> Target fund balance is 5% of total expenditures.

## C O U N C I L A D O P T E D B U D G E T

**COLA Decrease – (\$51,707).** Only after submission of the Executive Proposed Budget, did the Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$51,707 in the 2007 budget.

**Improve & Monitor the Quality of Phone Service Delivery/Response - \$35,000.** Provides funding to increase quality and efficiency of phone service.

**Convert FTEs into TLPs for Critical Areas – 0\$ / (2.00) FTEs, 2.00 TLPs.**

# **Natural Resources and Parks**

**[Link to Department of Natural Resources and  
Parks Organizational Chart](#)**

## *NATURAL RESOURCES AND PARKS*

### ***Mission***

#### **Natural Resources & Parks**

To be the steward of the region's environment and strengthen sustainable communities by protecting our water, land and natural habitats, safely disposing of and reusing wastewater and solid waste, and providing natural areas, parks and recreation programs.

### ***ISSUES AND PRIORITIES***

The Department of Natural Resources and Parks (DNRP) includes the following organizational units: DNRP Administration, GIS Center, Wastewater Treatment Division, Water and Land Resources Division (multiple appropriation units), Solid Waste Division, and Parks and Recreation Division. The 2007 Executive Proposed Budget for DNRP highlights the Executive's continued commitment to preserving our natural resources.

The 2007 Executive Proposed Budget features the addition of a term-limited temporary position (TLT) in the DNRP Administration budget to support the Executive's rural initiative. The Executive Proposed Budget also adds funding in the Solid Waste Division to expand the county's commitment to minimizing the impacts of construction on the environment by encouraging practices that conserve resources, use recycled content materials, maximize energy efficiencies, and otherwise address environmental and social considerations in county-wide projects. In addition, innovative waste reduction and waste management practices will allow the county to extend the useful life of the Cedar Hills Regional Landfill for at least four additional years – until 2016. Finally, the 2007 Executive Proposed Budget underscores the county's commitment to maintaining stormwater drainage facilities by beginning to make investments to address a maintenance backlog on the county's 1,400 stormwater drainage facilities. This renewed commitment will also allow the county to comply with new National Pollution Elimination Discharge System (NPDES) permit requirements and state standards regarding stormwater underground injection control.

Many DNRP divisions are facing significant financial pressures in 2007 and beyond. The 2007 Executive Proposed Budget features proposals that are designed to respond to these financial constraints while still preserving important direct services. Sound financial management practices have enabled the county to delay by one year fee increases for Solid Waste and the Noxious Weed Funds. The 2007 Executive Proposed Budget seeks a \$0.45 per parcel – or 30% – increase for the Noxious Weed Control Program. This is the first increase for the program since 2002 and represents a one-year delay beyond when a fee increase was expected. The increase will allow the program to sustain current levels of service to the community. The Solid Waste Division originally projected the need for an increase in the tipping fee in 2007. However, prudent financial management has allowed the fund to delay seeking an increase until 2008.

The Parks Division is continuing to implement its business plan. This includes an ongoing emphasis on maximizing entrepreneurial revenues and continuing to streamline operations by finding ways to maximize its role as a regional service provider. Examples include working with the county's Regional Governance Group (RGG) in the Office of Management and Budget to transfer local parks facilities within the urban growth boundary to cities. The 2007 Executive Proposed Budget assumes the transfer of parks in the East Renton and South Cove Annexation Areas, and the proposed transfer of the King County Fairgrounds to the City of Enumclaw, an appropriate local entity. Parks is also positioning itself to likely seek renewal of the Parks Levy in 2007.

The 2007 Proposed Budget for the Water and Land Resources Division (WLRD) is designed to maintain the current level of service in the face of inflationary pressures and to meet new state and federal regulatory requirements. Central to accomplishing these goals is a proposed 9 percent increase in the Surface Water Management (SWM) Fee. The SWM Fund will continue to face pressures beyond 2007 as a result of projected annexations and continued inflationary pressure. As a result, the 2007 Executive Proposed Budget adds \$75,000 in order to begin transition planning for the SWM Fund for 2008 and beyond.

### **DNRP Administration**

The 2007 Executive Proposed Budget will continue to allow DNRP Administration to provide Department-wide leadership in support of the county's environmental and rural initiatives. The budget features the addition of a new TLT to support the Executive's rural initiative.

### **GIS Center**

The GIS Center, organized as a separate internal service fund, provides all county users with a single point of accountability for equitable access to consistent and accurate GIS data and products. It also provides efficient GIS database management, and works to develop a regional GIS system. In addition to working on countywide GIS functions, the GIS Center provides staff support for DNRP and DOT GIS business needs.

The 2007 Executive Proposed Budget for the GIS Center makes investments in its technology capabilities in order to ensure that the GIS Center provides the most accurate, up-to-date, and efficient data to its clients. In addition, the 2007 Executive Proposed Budget makes several account adjustments to allow the GIS Center to provide cost-effective services to its clients.

### **Parks and Recreation Division**

The Parks and Recreation Division, consistent with its Business Plan, continues to focus on regional/rural parks facilities and programs and works to divest from activities in the Urban Growth Area (UGA) of King County.

The 2007 Executive Proposed Budget relies on several sources of revenue. Due to the successful passage of the four-year Parks Levy in May 2003, \$12.6 million of funding will be derived from property tax revenues, and \$5 million will be derived from sources such as user fees, advertising, naming rights, sponsorships, concession agreements, donations, grants, and miscellaneous revenues. An additional \$1.5 million will be derived from Real Estate Excise Tax (REET) for Capital Improvement Program (CIP) planning and \$3 million will be transferred from the Current Expense (CX) Fund for the operation of local parks, pools, and facilities within the unincorporated urban growth areas of the county. Parks will continue its entrepreneurial efforts to maximize revenues and actively work with the county's Regional Governance Group (RGG) to transfer properties within the unincorporated urban growth area in an effort to reduce the CX Fund contribution to support services in the UGA.

The Parks Levy approved by the voters in 2003 provides funding for regional/rural parks, trails and recreation programs and up to \$300,000 per year for the Community Partnership and Grants (CPG) program. The levy ends in December 2007. Parks is in the process of planning for the division's activities after 2007 and anticipates developing initial options in conjunction with the King County Executive's Office. These are likely to include options for refining the role of the county parks system as well as another levy proposal. There is a strong likelihood that a new levy proposal will go before the voters in 2007. This means that planning will intensify during the remainder of 2006 and early 2007.

Parks also anticipates working with cities and stakeholder groups in planning for the county role in Parks after 2007, most likely by convening another Task Force in the fall of 2006, similar to the group that developed recommendations for the 2003 Levy. While the role of the county parks system post 2007 is unclear at this time, the division anticipates that the outcome of planning efforts will be a recommendation to continue the types of themes expressed in the division's business transition plan. This includes a continued focus on regional programs (particularly regionally important trails and open space), and a continued emphasis on increasing business revenues (user fees and entrepreneurial efforts), minimizing the need for government or taxpayer subsidies, and further reduction in division activities relating to local programs or activities.

### **Solid Waste Division**



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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The Solid Waste Division continues its mission of maximizing ratepayer value by ensuring the citizens of King County have access to efficient and reliable regional solid waste handling and disposal services at rates as low as reasonably possible, consistent with sound environmental stewardship of regional resources.

The primary dynamic driving the Solid Waste Division in 2007 is the implementation of business efficiencies detailed in the Solid Waste Business Plan. The efficiencies are intended to make the division's services and programs more cost effective, while ensuring that rates remain low and stable over time. For example, the 2007 Executive Proposed Budget for Solid Waste makes an investment of over \$661,000 in the Recyclable Hauling Program. This investment will allow the division to bring the hauling function in-house, which will generate savings for the division beginning in 2009.

### **Wastewater Treatment Division**

The Wastewater Treatment Division (WTD) protects water quality and prevents water pollution by providing wastewater treatment for 17 cities and 17 local sewer utilities. The county's Wastewater Treatment Division serves about 1.4 million people, including most urban areas of King County and parts of south Snohomish County and northeast Pierce County. The 2007 Executive Proposed Budget for WTD reflects the results of sound financial management practices.

King County adopted an increased sewer rate and capacity charge for 2007. The monthly sewer rate will increase from \$25.60 in 2006 to \$27.95 in 2007 and the capacity charge will increase from \$34.05 in 2006 to \$42.00 in 2007. King County intends to maintain the sewer rate through 2008 by using a rate stabilization reserve. In 2007 an additional \$5.8 million will be placed in the reserve, making a total reserve of \$20 million which will be removed in 2008. The 2007 sewer rate and capacity charge were set to generate operating revenue sufficient to meet the minimum required debt service coverage ratios allowed under WTD's adopted financial policies.

### **Water and Land Resources Division**

The 2007 Executive Proposed Budget for the Water and Land Resources Division (WLRD) is designed to maintain the current level of service in the face of inflationary pressures and to meet new state and federal regulatory requirements. Central to accomplishing these goals is a proposed 9 percent increase in the Surface Water Management (SWM) Fee.

Since the SWM Fee was last increased in 2002, inflation, according to the Consumer Price Index (CPI), has increased 9 percent. King County Office of Management and Budget projections suggest inflation will rise another 7 percent through 2009. Additionally, costs associated with salaries, benefits, and internal county services are rising at a rate higher than general inflation. The proposed 9 percent increase will bring the SWM fee into line with the CPI inflation rate of the past four years.

The SWM Fund will continue to face pressures beyond 2007, however, as a result of projected annexations and continued inflationary pressure. As a result, the 2007 Executive Proposed Budget adds \$75,000 in order to begin transition planning for the SWM Fund for 2008 and beyond.

New mandatory regulatory requirements in the form of the National Pollution Discharge Elimination System (NPDES) will have a significant impact on the 2007 WLRD budget. The 2007 Executive Proposed Budget includes \$750,000 in new costs associated with complying with new NPDES permits. The total annual cost of NPDES compliance is projected to be \$1.5 million in each of 2008 and 2009.

The 9 percent SWM Fee increase will result in approximately \$1.8 million in new revenue for WLRD, enabling it to largely maintain the level of service funded by the SWM fee, comply with NPDES permitting requirements, and continue to address a backlog of Retention Detention Pond maintenance, an

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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effort that will aid King County's compliance with the new NPDES permit. WLRD will continue its policy of transferring 30 percent of SWM Fee revenues to the Capital Improvement Program (CIP).

The 2007 Executive Proposed Budget for WLRD includes other efforts to preserve funding for programs critical to King County.

- *Culver/WaterWorks Block Grants:* The 2007 Executive Proposed Budget dedicates \$1,436,100 in Wastewater rate revenues for the Culver/WaterWorks Block Grant program. The 2007 Executive Proposed Budget fully programs Culver funds, allocating \$617,000 for WaterWorks Block Grants; \$191,251 for WaterWorks Program Management; \$374,724 for King County – WSU Extension program costs; \$112,000 for Ecological Restoration Crews; and \$50,000 for the Cedar River Council.
- *King Conservation District (KCD):* During the 2006 budget process, the KCD assessment was increased to \$10 per parcel and extended for one year only. The 2007 Executive Proposed Budget assumes that the KCD assessment will be renewed for 2007 and that WLRD will continue to receive the \$2 King County share, as it has in 2006. The King County share amounts to \$280,000, which funds 2 FTEs who provide Critical Area Ordinance (CAO) support to farmers, and a portion of Puget Sound Fresh, a program designed to aid King County farmers in marketing their products locally.
- *Critical Areas Ordinance (CAO):* The 2007 Executive Proposed Budget maintains the level of CAO support established in the 2006 Adopted Budget. This level of support assumes the renewal of the KCD assessment.

Natural Resources and Parks Administration 4040/0381

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	4,977,159	30.60	2.00
		Status Quo*	78,649	0.00	0.00
		<b>Status Quo Budget</b>	<b>5,055,808</b>	<b>30.60</b>	<b>2.00</b>
<b>Change in County Policy</b>					
RB01		Rural Development TLT	86,000	0.00	0.60
			<b>86,000</b>	<b>0.00</b>	<b>0.60</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(7,958)	0.00	0.00
			<b>(7,958)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA05		Government Relations Position	(113,697)	(1.00)	0.00
TA50		Revenue Adjustment	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	194,678	0.00	0.00
CR06		Healthy Workplace Fund	15	0.00	0.00
CR08		Technology Services Infrastructure Charge	12,893	0.00	0.00
CR09		Geographic Information Systems Charge	269	0.00	0.00
CR10		Office of Information Resource Management Charge	(115)	0.00	0.00
CR11		Telecommunications Services	(2,217)	0.00	0.00
CR12		Telecommunications Overhead	(737)	0.00	0.00
CR16		Radio Access	1,707	0.00	0.00
CR17		Radio Maintenance	666	0.00	0.00
CR19		Radio Reserve Program	1,376	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	(28,292)	0.00	0.00
CR22		Long Term Leases	20,307	0.00	0.00
CR25		Financial Services Charge	(142)	0.00	0.00
CR28		Equipment Repair and Replacement	5,714	0.00	0.00
CR36		Property Services Lease Administration Fee	(192)	0.00	0.00
CR39		COLA Adjustment	7,260	0.00	0.00
CR46		Countywide Strategic Technology Projects	113,467	0.00	0.00
			<b>212,960</b>	<b>(1.00)</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>5,346,810</b>	<b>29.60</b>	<b>2.60</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

PROVISO:

Of this appropriation, \$100,000 shall not be expended unless the parks division provides a report by March 30, 2007, that identifies and assesses the legal and financial challenges to the completion of the Raging River trail.

The report shall be filed in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the growth management and natural resources committee, or its successor.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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### PROGRAM HIGHLIGHTS

#### DNRP Administration

The 2007 Executive Proposed Budget for DNRP Administration will continue to provide funding to allow for Department-wide leadership, advocacy and support for all DNRP divisions.

#### Enhanced Policy Support

To address the needs of rural areas, DNRP Administration will support Executive priorities through a strategic review of options for how county services are delivered to the rural parts of the county.

**Rural Development TLT -- \$86,000 / TLT .60.** This proposed budget adjustment creates a TLT position to conduct financial and policy analyses concerning county programs and operations in the rural areas of King County.

#### Technical Adjustments

**Elimination of Vacant Position – (\$113,367) and (1.00) FTE.** This proposal removes a vacant government relations position from the 2007 DNRP Administration budget.

**Central Rate Adjustments – \$326,657.** The central rates applicable to DNRP Administration include reductions and increases that net to \$319,397. Central rate adjustments include: CX Overhead, ITS Infrastructure, Telecommunications Services and O&M, Motor Pool, Finance, Prosecuting Attorney's Office (PAO), Long Term Lease and Administration Fee, OIRM, Industrial Insurance, Radio Equipment and Service, GIS O&M, Healthy Workplace Fund, COLA, and Flex Benefits.

### C O U N C I L   A D O P T E D   B U D G E T

**COLA Decrease – (\$7,958).** *Only after submission of the Executive Proposed Budget did the Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$7,958 in the 2007 budget.*

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Geographic Information Systems 5481M/3180M**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		2006 Adopted	3,759,576	31.00	0.00
	<b>PE</b>	Status Quo*	253,687	0.00	0.00
		<b>Status Quo Budget</b>	<b>4,013,263</b>	<b>31.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(6,809)	0.00	0.00
			<b>(6,809)</b>	<b>0.00</b>	<b>0.00</b>
<b>Department Requested Aerial Imagery Replacement</b>					
TA03		GIS Aerial Imagery Update	200,000	0.00	0.00
			<b>200,000</b>	<b>0.00</b>	<b>0.00</b>
<b>HW &amp; SW Increase for basic and ongoing GIS service</b>					
TA01		Hardware and Software for basic GIS services	60,532	0.00	0.00
			<b>60,532</b>	<b>0.00</b>	<b>0.00</b>
<b>Reimbursable Services and Supplies Reduction</b>					
TA04		Adjustment to decrease the budget for reimbursable costs in service and supplies	(42,703)	0.00	0.00
			<b>(42,703)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA05		Underexpenditure	(75,677)	0.00	0.00
TA10		Reduced Cost of DNRP Admin Overhead	(330)	0.00	0.00
TA50		Revenue Adjustment	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	1,142	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	(192)	0.00	0.00
CR08		Technology Services Infrastructure Charge	(1,642)	0.00	0.00
CR10		Office of Information Resource Management Charge	(192)	0.00	0.00
CR11		Telecommunications Services	(714)	0.00	0.00
CR12		Telecommunications Overhead	(207)	0.00	0.00
CR13		Motor Pool Usage Charge	(38)	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	752	0.00	0.00
CR22		Long Term Leases	(7,630)	0.00	0.00
CR25		Financial Services Charge	8,978	0.00	0.00
CR36		Property Services Lease Administration Fee	169	0.00	0.00
CR39		COLA Adjustment	6,690	0.00	0.00
CR46		Countywide Strategic Technology Projects	86,496	0.00	0.00
			<b>17,605</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>4,241,888</b>	<b>31.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Geographic Information Systems (GIS)**

The 2007 Proposed Budget makes several adjustments to maintain the GIS Center's technology capabilities as well as ensure the financial stability of the GIS fund.

#### **Technical Adjustments**

**Hardware and Software for Basic GIS Services -- \$60,532.** This proposed budget adjustment supports GIS Center hardware replacement and software maintenance necessary to provide basic ongoing GIS services.

**GIS Aerial Imagery Update – \$200,000.** This proposed adjustment establishes a fund reserve to replace the county's digital aerial imagery every two years beginning in 2007. This will replace outdated aerial imagery and will increase the efficiency and effectiveness of current GIS data.

**Adjustments to Reimbursable Costs – (\$42,703).** This proposed adjustment decreases the budget for reimbursable costs and supplies within the GIS client services business line and assists this business line in covering costs associated with its operation.

**Central Rates – \$93,120.** The central rates applicable to GIS include reductions and increases that net to an increase of \$93,120. Central rate adjustments include: Telecommunications Services and O&M, OIRM, ITS Infrastructure and O&M, CX Overhead, Finance, Long Term Leases and Lease Administration Fee, COLA, Flex Benefits, Industrial Insurance, Healthy Workplace Fund, Motor Pool and DNRP Administration Overhead.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### King County GIS Center/5481M

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	351,707	321,600	169,325	364,514	425,394	768,315
<b>Revenues</b>						
Central Rates Charged to Other Funds & Agencies	2,930,781	3,720,955	3,555,334	4,058,168	4,179,913	4,305,310
Central Rates Charged for GIS Equipment Reserve	25,000	30,000	30,000	35,000	40,000	40,000
Rates Charged for Training Room Rent	9,600	7,800	10,600	9,600	9,600	9,600
Central Rates Charged for Imagery Reserve				200,000	200,000	200,000
<b>Total Revenues</b>	2,965,381	3,758,755	3,595,934	4,302,768	4,429,513	4,554,910
<b>Expenditures</b>						
GIS Center Operating Costs & Overhead	(3,147,763)	(3,734,576)	(3,427,139)	(3,972,655)	(4,110,804)	(4,234,128)
Equipment replacement from fund reserve		(25,000)	(30,000)	(6,530)	(38,020)	(35,500)
OIRM BC equipment purchase from fund reserve				(86,496)		
OIRM BC O&M from fund reserve				(18,394)		
Training Room equip replacement from fund reserve				(33,490)		
Imagery Replacement from Fund Reserve				(200,000)		(400,000)
Underexpenditures <sup>5</sup>		56,394	56,394	75,677	62,232	70,044
<b>Total Expenditures</b>	(3,147,763)	(3,703,182)	(3,400,745)	(4,241,888)	(4,086,592)	(4,599,584)
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>		0	0	0	0	0
<b>Ending Fund Balance</b>	169,325	377,173	364,514	425,394	768,315	723,641
<b>Reserves &amp; Designations</b>						
GIS Equipment Reserve <sup>6</sup>	(100,000)	(105,000)	(100,000)	(23,580)	(25,560)	(30,060)
Training Room Equipment Reserve <sup>7</sup>	(20,400)	(35,414)	(31,000)	(7,110)	(16,710)	(26,310)
Prepaid Client Services	(47,425)		0			
Imagery Fund Reserve				0	(200,000)	0
<b>Total Reserves &amp; Designations</b>	(167,825)	(140,414)	(131,000)	(30,690)	(242,270)	(56,370)
<b>Ending Undesignated Fund Balance</b>	1,500	236,759	233,514	394,704	526,045	667,271
<b>Target Fund Balance <sup>4</sup></b>	<b>314,776</b>	<b>370,318</b>	<b>340,075</b>	<b>397,266</b>	<b>411,080</b>	<b>423,413</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are based on Preliminary 2005 CAFR.

<sup>2</sup> 2006 Estimated is projected from modified current actuals through June 2005.

<sup>3</sup> 2008 and 2009 Projected are based on 3% annual growth in expenditures and revenues, plus additional \$5,000 increase in revenue each year for equipment replacement reserve.

<sup>4</sup> Target fund balance is based on 10% of total budgeted O&M expenditures.

<sup>5</sup> Underexpenditure is based on 1.75% (2007) & 1.5% (2008-2009) of Total Expenditures.

<sup>6</sup> Equipment Reserve established to fund replacement of core GIS data servers to ensure effective on-going operation. Annual reserve allocation increased in 2006, based on OIRM based analysis.

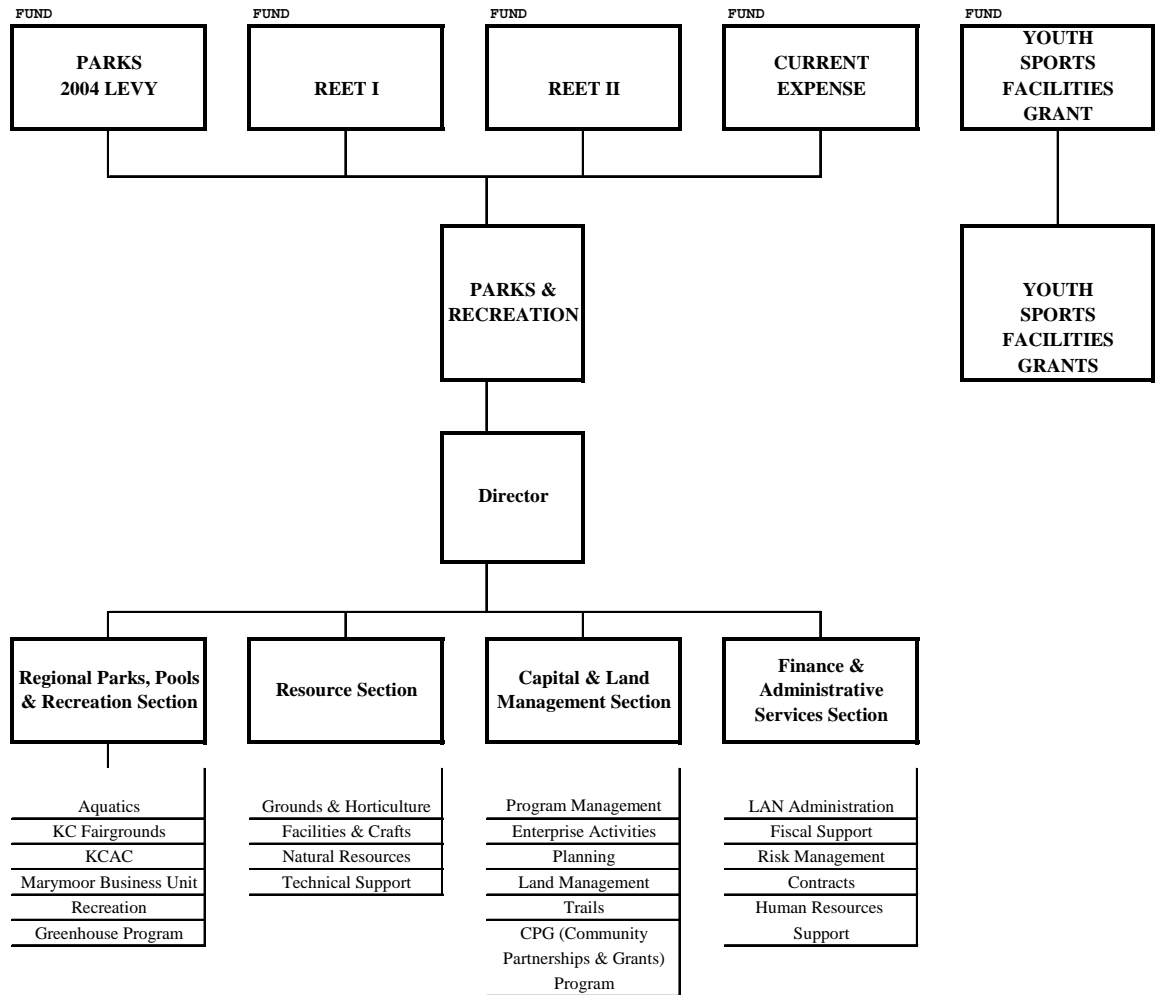
<sup>7</sup> KSC training room rental revenue is held for DOT & DNRP as a training equipment replacement reserve.

## C O U N C I L A D O P T E D B U D G E T

**COLA Decrease – (\$6,809).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$6,809 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Parks and Recreation 1451/0640

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	20,888,426	149.06	0.00
		Status Quo*	2,195,964	6.92	1.00
		<b>Status Quo Budget</b>	<b>23,084,390</b>	<b>155.98</b>	<b>1.00</b>
<b>Annexation</b>					
DS01		East Renton Annexation	(5,623)	0.00	0.00
DS03		South Cove Annexation	(8,837)	0.00	0.00
			<b>(14,460)</b>	<b>0.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(25,543)	0.00	0.00
			<b>(25,543)</b>	<b>0.00</b>	<b>0.00</b>
<b>Stewardship of Regional Assets</b>					
DS02		Fairgrounds Transfer	(475,586)	(2.67)	0.00
PC01		Stewardship of Regional Assets	194,380	2.67	0.00
			<b>(281,206)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Director's Office/Admin Sections Annual Adj	61,845	0.00	0.00
TA02		Capital & Land Management Section Annual Adj	(124,521)	0.00	1.00
TA03		RPPR Section Annual Adjustments	143,490	0.00	0.00
TA04		Parks Resource Section Annual Adjustments	240,498	0.00	0.00
CR05		Current Expense Overhead Adjustment	(5,917)	0.00	0.00
CR06		Healthy Workplace Fund	157	0.00	0.00
CR08		Technology Services Infrastructure Charge	1,403	0.00	0.00
CR09		Geographic Information Systems Charge	4,931	0.00	0.00
CR10		Office of Information Resource Management Charge	(5)	0.00	0.00
CR11		Telecommunications Services	(7,915)	0.00	0.00
CR12		Telecommunications Overhead	(4)	0.00	0.00
CR13		Motor Pool Usage Charge	(59,990)	0.00	0.00
CR15		Insurance Charges	37,841	0.00	0.00
CR19		Radio Reserve Program	(45)	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	(10,209)	0.00	0.00
CR22		Long Term Leases	(18,952)	0.00	0.00
CR25		Financial Services Charge	20,809	0.00	0.00
CR28		Equipment Repair and Replacement	369	0.00	0.00
CR29		Wastewater Vehicles	(2,528)	0.00	0.00
CR36		Property Services Lease Administration Fee	161	0.00	0.00
CR39		COLA Adjustment	38,032	0.00	0.00
CR40		Merit Adjustment	1,678	0.00	0.00
			<b>321,128</b>	<b>0.00</b>	<b>1.00</b>
<b>2007 Adopted Budget</b>			<b>23,084,309</b>	<b>155.98</b>	<b>2.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

### Proviso(s):

#### PROVISO:

Of this appropriation, \$250,000 shall not be expended or encumbered until the executive submits to the council a report identifying potential routes for the development of an equestrian trail through Marymoor park to connect with the Bridal Crest and Sammamish trails. The report shall include a cost estimate and identify an appropriate funding source.

The executive shall file the report by April 15, 2007, in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and the lead staff for the growth management and natural resources committee, or its successor.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Parks and Recreation Division (Levy Fund)**

The Parks operating budget continues to be driven by the division's business plan and parks levy financial plan, which emphasize maximizing business revenues, focusing on regional facilities and programs, and transferring local facilities. The 2007 Executive Proposed Budget reflects the transfer of Parks facilities as a result of the 2006 annexation of South Cove by the City of Issaquah, the anticipated March 1, 2007 annexation of East Renton by the City of Renton, and the January 1, 2007 transfer of the Fairgrounds to the City of Enumclaw. Together, these facility transfers will save the division over \$490,000, \$14,000 of which is savings to the Current Expense (CX) Fund.

#### **Annexations**

The county will continue to work to transfer urban park assets within the urban growth area to cities as annexations occur, and where possible, prior to annexation.

**East Renton Annexation - (\$5,623).** This reduction assumes the March 1, 2007 transfer, pending voter approval, of parks in the East Renton Potential Annexation Area (PAA) to the City of Renton. This represents a \$5,511 savings to CX.

**South Cove Annexation - (\$8,837).** This reduction assumes the autumn 2006 transfer of parks in the South Cove PAA to the City of Issaquah.

#### **Stewardship of Regional Assets**

The county places primary importance on continuing its role in the stewardship of regional parks assets, including regional parks, regional recreation facilities, regional natural lands, and regional trails.

**Fairgrounds Transfer - (\$475,586) and (2.67) FTEs.** This reduction reflects the pending transfer of the Fairgrounds to the City of Enumclaw effective January 1, 2007. This transfer will result in \$475,586 in expenditure savings, offset by a loss of \$275,000 in revenue to Parks. As part of the agreement with the City of Enumclaw, Parks will continue to operate the King County Fair. Approximately \$715,000 remains in the 2007 Executive Proposed Budget to operate the King County Fair.

**Stewardship of Regional Assets - \$194,380 and 2.67 FTEs.** This proposal reallocates levy resources previously used to subsidize the Fairgrounds to support remaining regional parks and trails. As part of the agreement with the City of Enumclaw, Parks will continue to operate the King County Fair, which will be one of the primary duties of the 2.67 FTEs.

#### **Technical Adjustments**

**Director's Office/Admin Sections Annual Adjustments - \$61,845.** This proposal adjusts expenditures and revises revenues based on current forecasts. Included are a \$10,000 reduction to bring the IT Equipment Replacement Plan request to approximately \$72,000; \$22,000 for courier service received from Solid Waste; increased DNRP Overhead; adjustments to Parks Levy proceeds; and interest adjustments.

**Capital and Land Management Section Annual Adjustments - (\$124,521) and 1.00 TLT.** This proposal adjusts the Capital and Land Management budget, adds a one-year TLT for web design and marketing supporting capital projects and public outreach, and includes an additional \$100,000 (one-time) for the Community Partnership and Grants (CPG) program, bringing total CPG funding to almost \$400,000 for 2007. Real Estate Excise Tax (REET) revenues have been adjusted to reflect current staff and associated costs.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Regional Parks, Pools and Recreation Section Annual Adj - \$143,490.** This proposal includes annual adjustments of expenditures, utilities and staffing, and revises business revenues based on current forecasts.

**Parks Resource Section Annual Adjustments - \$240,498.** This proposal adjusts utilities, staffing and trails/ecological lands maintenance, as well as minor adjustments to camping and moorage fees.

**Central Rates – (\$184).** Central rate adjustments were made for Current Expense Overhead, Healthy Workplace Funding, Technology Services Infrastructure, Geographic Information Services, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Reserve Program, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Financial Management Services Rebate, Equipment Repair & Replacement, Wastewater Vehicles, Property Services Lease Admin Fee, COLA, and Merit.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Parks 2004 Levy Fund 1451

	2005 Actuals <sup>11</sup>	2006 Adopted	2006 Estimated	2007 Adopted	2008 Projected <sup>1</sup>	2009 Projected <sup>1</sup>
<b>Beginning Fund Balance</b>	<b>1,726,378</b>	<b>1,757,361</b>	<b>2,730,742</b>	<b>2,536,875</b>	<b>2,012,209</b>	<b>1,260,919</b>
<b>Revenues</b>						
* Levy Proceeds <sup>2</sup>	11,579,186	12,029,005	12,003,076	12,414,469	12,848,975	13,298,690
* Delinquent Levy Collections <sup>2</sup>	151,794	164,772	164,772	201,991	208,957	78,764
* Interest <sup>3</sup>	56,780	34,646	61,442	62,153	51,311	32,153
* Regional/Rural Business Revenues <sup>4</sup>	4,003,772	4,386,839	4,319,034	4,340,154	4,557,162	4,785,020
* UGA Business Revenues	695,574	244,516	237,303	618,030	648,932	681,378
* CX Transfer <sup>5</sup>	2,696,803	2,452,237	2,452,237	2,995,663	3,145,446	3,302,719
* CIP <sup>6</sup>	1,128,256	1,322,354	1,322,354	1,465,498	1,538,773	1,615,712
* Homeland Security Grant	64,902					
* 1st Quarter Omnibus <sup>12</sup>			1,013,842			
<b>Total Revenues</b>	<b>20,377,067</b>	<b>20,634,369</b>	<b>21,574,059</b>	<b>22,097,958</b>	<b>22,999,557</b>	<b>23,794,435</b>
<b>Expenditures</b>						
* Regional & Rural Expenditures (Levy-derived) <sup>7</sup>	(10,493,797)	(11,832,773)	(11,907,791)	(13,204,336)	(13,981,052)	(14,796,605)
* Regional/Rural Expenditures (Business Revenue-derived) <sup>7</sup>	(4,003,772)	(4,386,839)	(4,319,034)	(4,340,154)	(4,557,162)	(4,785,020)
* Urban Growth Area Expenditures (Business Revenue-derived) <sup>7</sup>	(695,574)	(244,516)	(237,303)	(618,030)	(648,932)	(681,378)
* Urban Growth Area Expenditures (CX-derived) <sup>5</sup>	(2,696,803)	(2,501,944)	(2,501,944)	(3,056,799)	(3,209,639)	(3,370,121)
* CIP/Land Management Expenditures <sup>6</sup>	(1,128,256)	(1,322,354)	(1,322,354)	(1,465,498)	(1,538,773)	(1,615,712)
* CPG (formerly ADOPS) Expenditures <sup>8, 13</sup>	(200,508)	(600,000)	(600,000)	(399,492)	(300,000)	(300,000)
* Homeland Security Grant Expenditures	(153,992)					
* 1st Quarter Omnibus			(1,323,745)			
<b>Total Expenditures</b>	<b>(19,372,702)</b>	<b>(20,888,426)</b>	<b>(22,212,171)</b>	<b>(23,084,309)</b>	<b>(24,235,558)</b>	<b>(25,548,836)</b>
<b>Estimated Underexpenditures <sup>9</sup></b>		<b>417,769</b>	<b>444,243</b>	<b>461,686</b>	<b>484,711</b>	<b>510,977</b>
<b>Other Fund Transactions</b>						
*						
<b>Total Other Fund Transactions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>2,730,742</b>	<b>1,921,073</b>	<b>2,536,875</b>	<b>2,012,209</b>	<b>1,260,919</b>	<b>17,495</b>
<b>Less: Reserves &amp; Designations</b>						
* Unexpended CPG (formerly ADOPS) <sup>13</sup>	(300,000)		(99,492)			
<b>Total Reserves &amp; Designations</b>	<b>(300,000)</b>	<b>0</b>	<b>(99,492)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>2,430,742</b>	<b>1,921,073</b>	<b>2,437,383</b>	<b>2,012,209</b>	<b>1,260,919</b>	<b>17,495</b>
<b>Target Fund Balance <sup>10</sup></b>	<b>1,601,559</b>	<b>1,740,702</b>	<b>1,832,107</b>	<b>1,923,692</b>	<b>2,019,630</b>	<b>2,129,070</b>

### Financial Plan Notes:

<sup>1</sup> The Parks Levy Fund was a new fund in 2004. The voter-approved levy was set for 4 years and expires at the end of 2007. The Executive is in the process of developing long-term funding proposals for the Parks Division and will be working with the County Council and others on this issue during the next 12-15 months. In the meantime, the Parks financial plan assumes Parks operations will continue following expiration of the 2004 Levy. Although a level of operations is yet to be determined, to maintain a status quo level of operations, 2008 and 2009 Revenues and Expenditures have been projected using current assumptions detailed in footnotes below.

<sup>2</sup> 2006 and 2007 Levy Proceeds and 2006 Estimated through 2009 Delinquent Levy Collections revised by OMB September 2006. 2008 and 2009 Levy Proceeds based on the 2007 levy estimate and inflated 3.5%.

<sup>3</sup> Interest Earnings based on an interest rate of 3.154% in 2005 Actuals, 4.75% in 2006 Adopted, 4.7% in 2006 Estimated, 5.1% in 2007 Proposed, and 5.3% in 2008 and 2009, with a 20 basis point investment service fee deducted.

<sup>4</sup> Growth rate of 5% for Regional/Rural Business Revenues from 2006 Estimated through 2009, holding constant for reduced regional assets (transfer of the fairgrounds).

<sup>5</sup> Growth rate of 5% for CX Transfer Revenue and Urban Growth Area CX-derived Expenditures from 2006 Estimated through 2009. 2007 includes restoration of Klahanie Annexation and UGA Pool costs and decrease due to anticipated East Renton PAA annexation. The CX Transfer is used to cover costs in the Urban Growth Area (UGA); per financial plan approved by King County Council in adopting levy ordinance no. 14586.

<sup>6</sup> Transfers from Fund 3160 and 3490 (backed by REET 1 & 2) for Capital & Land Management Planning FTEs. 2008 and 2009 projected using 5% inflation.

<sup>7</sup> UGA Pools and Klahanie Annexation costs removed in 2006 Adopted Budget restored. Includes a minor adjustment for assumed annexation of East Renton PAA in 2007. Regional/rural expenditures include additional \$116,500 in 2007 through 2009 for additional maintenance of trails and ecological lands (assumed 5 additional trail miles at \$6,300/mile and 1,000 acres additional natural lands at \$85/acre as assumed annually, per original levy financial plan).

<sup>8</sup> Partially funds the CPG (Community Partnership Grants, formerly ADOPS) program. Additional CPG funds are in Parks CIP.

<sup>9</sup> Estimated Underexpenditures 2% of Total Expenditures in 2006 through 2009. Estimated Underexpenditures include 2% Underexpenditure required for UGA Expenditures funded by CX Transfer.

<sup>10</sup> Target Fund Balance is 1/12th of Total Expenditures (excluding Homeland Security Grant Expenditures).

<sup>11</sup> 2005 Actuals are per the 2005 CAFR.

<sup>12</sup> 2006 Omnibus Ordinance included UGA and Regional Business Revenue and CX transfer. These supplemental amounts were annualized and included in the 2007 budget.

<sup>13</sup> Reserve for unexpended CPG funds ensures that Division sets aside full \$1.2 million over course of 4-year levy period as specified by levy ordinance.

***C O U N C I L   A D O P T E D   B U D G E T***

***COLA Decrease – (\$25,543).*** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$25,543 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN****Youth Sports Facilities Grants 1290/0355**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	1,062,410	1.00	0.00
		Status Quo*	(521,048)	0.00	0.00
		<b>Status Quo Budget</b>	<b>541,362</b>	<b>1.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(216)	0.00	0.00
			<b>(216)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		YSFG Annual Program Adjustments	49,372	0.00	0.00
CR05		Current Expense Overhead Adjustment	(804)	0.00	0.00
CR08		Technology Services Infrastructure Charge	(17)	0.00	0.00
CR10		Office of Information Resource Management Charge	(3)	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	2,066	0.00	0.00
CR25		Financial Services Charge	3,215	0.00	0.00
CR39		COLA Adjustment	191	0.00	0.00
			<b>54,020</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>595,166</b>	<b>1.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Youth Sports Facilities Grants (YSFG)**

The YSFG program is a model for capital planning and development through partnerships, a major component of the Parks and Recreation Division Business Plan. Such partnership programs help the county leverage funding to improve facilities and retain services and programs. The YSFG program provides matching grant funds to community and youth organizations that partner with a public agency such as a school district or city parks department to develop, renovate, or repair sports facilities. Grants range from \$5,000 to \$75,000. Because the program is designed to leverage funds from other sources, to qualify for a grant, applicants must meet a 1 to 2 match requirement. This means that applicants must provide \$1 for every \$2 requested. The YSFG program is funded and sustained through a one quarter of one percent Auto Rental Sales and Use Tax. YSFG's 2007 Auto Rental Sales and Use Tax revenues of \$653,000 will enable YSFG to award grants in the amount of \$474,000, and to cover \$121,000 in operating costs, while maintaining the required Target Fund Balance of \$56,000.

#### **Technical Adjustments**

**YSFG Annual Program Adjustments - \$49,372.** This proposal removes Extra Help and reduces various O&M accounts, as well as increasing programmed expenditures and interest, and reducing revenue.

**Central Rates – \$4,648.** Central rate adjustments were made for Current Expense Overhead, Technology Services Infrastructure, Office of Information Resource Management, Prosecuting Attorney Civil Division, Financial Services, Financial Management Services Rebate, and COLA.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Youth Sports Facilities Grant Fund/1290

	2005 Actual <sup>1</sup>	2006 Adopted <sup>2</sup>	2006 Estimated	2007 Adopted	2008 Projected	2009 Projected
<b>Beginning Fund Balance</b>	<b>1,591,165</b>	<b>1,017,756</b>	<b>1,556,150</b>	<b>598,134</b>	<b>702,430</b>	<b>704,721</b>
<b>Revenues</b>						
* Auto Rental Tax <sup>3,9</sup>	632,479	716,438	697,625	652,977	679,096	706,260
* Net Investment Income <sup>4</sup>	44,855	33,812	65,251	46,485	51,708	52,460
<b>Total Revenues</b>	<b>677,334</b>	<b>750,250</b>	<b>762,875</b>	<b>699,462</b>	<b>730,804</b>	<b>758,719</b>
<b>Expenditures</b>						
* Programmed <sup>5</sup>	(516,216)	(950,689)	(950,064)	(474,264)	(601,566)	(623,190)
* Operating <sup>6</sup>	(116,621)	(111,721)	(111,721)	(120,902)	(126,947)	(133,294)
* Encumbrance Carryover			(659,107)			
<b>Total Expenditures</b>	<b>(632,837)</b>	<b>(1,062,410)</b>	<b>(1,720,892)</b>	<b>(595,166)</b>	<b>(728,513)</b>	<b>(756,484)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
* Reversal of 2004 Accrued Auto Rental Tax <sup>9</sup>	(79,511)					
<b>Total Other Fund Transactions</b>	<b>(79,511)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>1,556,150</b>	<b>705,596</b>	<b>598,134</b>	<b>702,430</b>	<b>704,721</b>	<b>706,955</b>
<b>Less: Reserves &amp; Designations</b>						
* Encumbrance Carryover	(659,107)					
* Stadium Endowment Funds <sup>7</sup>	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)	(646,257)
<b>Total Reserves &amp; Designations</b>	<b>(1,305,364)</b>	<b>(646,257)</b>	<b>(646,257)</b>	<b>(646,257)</b>	<b>(646,257)</b>	<b>(646,257)</b>
<b>Ending Undesignated Fund Balance</b>	<b>250,786</b>	<b>59,339</b>	<b>(48,123)</b>	<b>56,173</b>	<b>58,464</b>	<b>60,698</b>
<b>Target Fund Balance <sup>8</sup></b>	<b>54,187</b>	<b>60,020</b>	<b>61,030</b>	<b>55,957</b>	<b>58,464</b>	<b>60,698</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are based on the 2005 CAFR.

<sup>2</sup> 2006 Adopted is from the 2006 Adopted Financial Plan.

<sup>3</sup> Auto Rental Tax forecast revised by OMB September 2006.

<sup>4</sup> Net Investment Income is calculated at 4.7% in 2006 Estimated; 5.1% in 2007, 5.3% in 2008, and 5.3% in 2009, with 20 basis point investment service fee deducted.

<sup>5</sup> 2007, 2008 and 2009 Programmed Expenditures are funded at the level that allows YSFG to meet their Target Fund Balance. 2006 Estimated reflects the dollar amount of grants actually awarded in 2006.

<sup>6</sup> Operating Expenditures consist of salaries, benefits and O&M costs. 2008 and 2009 are inflated at 5% each year.

<sup>7</sup> Per proviso 13-2 in the 2002 Adopted Budget Ordinance #14265, \$646,257 was to be transferred into YSFG from the Stadium Fund (proceeds from the sale of Stadium property). However, per the 2003 2nd Quarter Omnibus #14279, \$1M was transferred into YSFG from the Stadium in 2003. According to the proviso, \$646,257 of these funds cannot be expended or encumbered, but may be used to establish an endowment. The income generated by the \$646,257, however, can be used to support ongoing grants programs. The \$353,743 difference between the anticipated \$646,257 Stadium Fund Balance expected to be transferred to YSFG and the \$1M actually transferred per the 2003 2nd Quarter Omnibus #14729 will be available for programming in 2005. Proceeds (amount unknown at this time) from the sale of the Johnson Building and any other remaining Stadium property (after accounting for the set-aside to support housing provided for in Ordinance #13262 and for any negative fund balance remaining after termination of the stadium) will be transferred to YSFG as well, to supplement the YSFG endowment.

<sup>8</sup> The Target Fund Balance is 8% of Total Revenues.

<sup>9</sup> The 2005 Ending Fund Balance was reduced \$79,511 by Finance for a prior period adjustment of revenue for a 2004 accrual accounting error.

## COUNCIL ADOPTED BUDGET

**COLA Decrease – (\$216).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$216 in the 2007 budget.



# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Solid Waste 4040/0720

Code	Item Description	Expenditures	FTEs *	TLTs
Program Area				
PE	2006 Adopted	91,939,460	411.80	6.00
	Status Quo*	2,828,996	0.00	0.00
	Status Quo Budget	94,768,456	411.80	6.00
Council Changes				
CC01	Council Change to Recyclables Hauling Efficiencies	(166,220)	(6.00)	0.00
CC02	Waste-to-Energy Study	100,000	0.00	0.00
CC39	Council COLA Adjustment	(71,337)	0.00	0.00
		(137,557)	(6.00)	0.00
Efficient and Reliable Waste Disposal				
PC03	Productivity Start Up	100,000	0.00	0.00
RB01	Special Waste Program Changes	130,000	0.00	0.00
TA03	Efficiencies to Capital Asset Maintenance	(101,200)	0.00	0.00
TA05	Repairs, Maintenance, and Equipment	320,000	0.00	0.00
TA06	PPM III Position	90,520	1.00	0.00
TA07	Long Haul Tractors	710,000	0.00	0.00
TA10	Mechanics and Supplies	571,814	2.00	0.00
TA11	Truck Driver Supervisor	111,963	1.00	0.00
		1,933,097	4.00	0.00
Environmental Stewardship				
PC01	Illegal Dumping	135,766	0.25	0.00
PC04	Green Building Increases	91,000	0.00	0.00
		226,766	0.25	0.00
Technical Adjustment				
TA01	Landfill Reserve Fund Transfer	(2,171,960)	0.00	0.00
TA02	Contribution to CERP	700,847	0.00	0.00
TA04	Construction Fund Transfer	3,746,792	0.00	0.00
TA08	Changes to Term-Limited Positions	(120,180)	2.00	(4.00)
TA09	Annual Zero-Based Budget Adjustments	277,856	0.00	0.00
TA12	Diesel Fuel	911,382	0.00	0.00
TA50	General Revenue	0	0.00	0.00
CR05	Current Expense Overhead Adjustment	1,390	0.00	0.00
CR06	Healthy Workplace Fund	326	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	4,058	0.00	0.00
CR08	Technology Services Infrastructure Charge	4,810	0.00	0.00
CR09	Geographic Information Systems Charge	4,737	0.00	0.00
CR10	Office of Information Resource Management Charge	(5,616)	0.00	0.00
CR11	Telecommunications Services	(3,667)	0.00	0.00
CR12	Telecommunications Overhead	2,347	0.00	0.00
CR13	Motor Pool Usage Charge	(331)	0.00	0.00
CR15	Insurance Charges	(154,652)	0.00	0.00
CR16	Radio Access	6,482	0.00	0.00
CR17	Radio Maintenance	2,761	0.00	0.00
CR19	Radio Reserve Program	3,091	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	8,204	0.00	0.00
CR21	Debt Service Adjustment	17,779	0.00	0.00
CR22	Long Term Leases	(2,377)	0.00	0.00
CR25	Financial Services Charge	(8,186)	0.00	0.00

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Solid Waste 4040/0720

CR28	Equipment Repair and Replacement	(5,052)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	(6,923)	0.00	0.00
CR36	Property Services Lease Administration Fee	(111)	0.00	0.00
CR39	COLA Adjustment	92,045	0.00	0.00
		<b>3,305,852</b>	<b>2.00</b>	<b>(4.00)</b>
<b>Waste Diversion</b>				
PC02	Recyclables Hauling Efficiencies	658,017	6.00	0.00
RB02	Local Hazardous Waste Management Program	482,775	4.80	0.00
		<b>1,140,792</b>	<b>10.80</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>		<b>101,237,406</b>	<b>422.85</b>	<b>2.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

#### Proviso(s):

##### EXPENDITURE RESTRICTION:

Of this appropriation, \$100,000 shall solely be expended to coordinate the preparation of study by an independent consultant, which shall include recommendations on the feasibility of a waste-to-energy strategy for disposal of the county's mixed municipal waste stream, or a portion thereof. The selected contractor must have national and international experience in conducting reviews of waste-to-energy technologies.

The study shall include a review of: (1) the state of current waste-to-energy technology including environmental impacts effects on global warming and Kyoto Treaty compliance; (2) the costs of design, engineering and construction of a waste-to-energy facility sized and designed to address King County's waste stream or a portion thereof; (3) the annual operational costs of such a facility and the estimated retail cost of energy produced; (4) the market for energy at the projected costs; (5) the required transfer station collection/transportation infrastructure; (6) the projected volume and methodology for disposal of ash byproduct; (7) an analysis of the utilization of waste-to-energy facilities elsewhere in the world; and (8) strategies for addressing concerns regarding public support and acceptance.

The division will invite and incorporate recommendations from the metropolitan solid waste management advisory committee and the solid waste advisory committee into the preparation the request for proposals. Upon completion of the draft study, the council, the metropolitan solid waste management advisory committee and the solid waste advisory committee will also receive a draft. The reviewers from the advisory committees will be invited to comment on the draft or attach an addendum before the final report is transmitted to the county council.

The study required by this proviso shall be filed by July 31, 2007, and must be filed in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the growth management and natural resources committee, or its successor.

##### PROVISO:

Of this appropriation, \$540,000 shall not be expended or encumbered until the council adopts by motion a report and recommendations submitted by the executive on the financial savings or policy advantages gained by insourcing of solid waste recyclable hauling work currently provided by third-party vendors. The report shall discuss alternatives to insourcing and shall include a five-year projection of insourcing-related program costs, including vehicle replacement plans, estimated employee escalation costs and other costs associated with absorbing this body of work and a five-year projection of the impact of those program costs on solid waste disposal fees. The proposed motion, report and recommendations required to be submitted by this proviso shall be filed by March 31, 2007, and must be filed in the form of 12 copies with the clerk of the council, who will retain the original and will forward copies

##### PROVISO:

The executive shall create a reserve in the amount of \$2,000,000 in the solid waste fund financial plan. The purpose of this reserve is to support the analysis of converting natural gas fired steam plants to plants fired by wood debris, which historically has been disposed of in county landfill.

The executive shall provide by July 31, 2007, a written report to the council, evaluating utilizing wood as an alternative energy source in order to provide heat to county facilities, whether owned or leased. The report shall include an evaluation of climate impacts, a cost/benefit analysis to the county regarding investing in alternative energy production, the financial viability of such an operation if such an investment were made, and an analysis of the benefit of prepaying county energy bills.

The executive shall file 12 copies of the report with the clerk of the council, who will forward copies to each councilmember and to the lead staff for the growth management and natural resources committee and the operating budget committee, or their successors.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Solid Waste Division (SWD)**

The total 2007 Executive Proposed Budget for the Solid Waste Division is \$101,374,963 with 428.85 FTEs and 2.00 TLTs. Much of the Solid Waste Division's 2007 budget responds to the 36 percent increase in tonnage processed by the transfer station system following the 2004 increase in the regional direct rate charged commercial haulers who deliver waste directly to the Cedar Hills Regional Landfill. Proposed budget increases will relieve the strain on Solid Waste staff, equipment, and facilities caused by the sizeable increase of tonnage processed by the transfer stations. Although the impact of the Solid Waste Transfer and Waste Export System Plan will not be felt until 2008, the 2007 Proposed Budget lays the groundwork for upgrading the division's transfer station system. Upgrades to aging transfer stations are necessary to meet increased demand on the system and prepare for waste export following the closure of Cedar Hills Regional Landfill, anticipated in 2016. The division continues to identify and capitalize on operational efficiencies and remains a leader in environmental stewardship through its recycling and waste diversion programs, as well as its contribution to the Green Building Program. SWD originally anticipated the need for an increase in the tipping fee for 2005. Sound financial management practices have allowed SWD to keep the tipping fee stable until 2008. The 2008 tipping fee increase will be the first since 1999.

#### **Efficient and Reliable Waste Disposal**

The Solid Waste Division's goal of keeping its rates as low as reasonably possible and its emphasis on customer service are achieved by providing efficient and reliable waste disposal.

**Productivity Initiative Start-Up - \$100,000.** In compliance with the Local 302 agreement signed in 2006, Solid Waste will hire a consultant to begin planning a Productivity Initiative program. The Productivity Initiative will give division employees the opportunity to identify and benefit from ways the division can operate in a more cost effective manner. All fourteen unions representing Solid Waste employees will be invited to participate in the planning process. Solid Waste expects the planning stage will take 18 to 24 months.

**Disaster Debris Emergency Response Plan - \$130,000.** This proposal funds an update of the Regional Disaster Debris Emergency Response Plan. The plan was written in 2000 and is now out of date and no longer useful. A \$100,000 grant from the federal government will cover most of the costs of updating the plan.

**Capital Asset Maintenance Program (CAMP) Adjustment - (\$101,200).** Based on its annual review of facilities, this proposal will allow for a reduction based on work order contracts in 2007.

**Repairs, Maintenance, and Equipment - \$320,000.** This proposal increases the equipment, maintenance and repair budgets. The bulk of the proposal is for the purchase of a front-end loader to be used at the First NE Transfer Station when it reopens in November 2007.

**PPM III Position - \$90,520 and 1.00 FTE.** This position will research and analyze solid waste related issues, manage complex programs and projects, serve as team lead, and provide analysis to support strategic planning efforts, such as updating the Solid Waste Comprehensive Plan. The position is necessary because the current planning workload exceeds the capacity of division staff.

**Long Haul Trailers - \$710,000.** This proposal funds the one-time purchase of 10 long haul trailers to manage the increased tonnage coming through the transfer system. The additional trailers will ensure that empty trailers are available at transfer stations when they are needed and facilitate the efficient functioning of the transfer system.

**Mechanics and Supplies - \$571,814 and 2.00 FTEs.** The 36 percent increase in tonnage through the

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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transfer station system and purchase of long haul tractors, trailers, and other heavy equipment to handle that increase over the last few years has strained the maintenance shop's ability to keep up with maintenance demands. This proposal adds 2 FTEs to ensure maintenance is performed in a timely fashion and that operations are not negatively affected.

**Truck Driver Supervisor - \$111,963 and 1.00 FTE.** Currently, there is only one supervisor responsible for approximately 80 truck drivers in the transportation section. This proposal will add one supervisor to decrease the span of control and enable the section to operate more efficiently.

### **Environmental Stewardship**

The Solid Waste Division's goals include having its facilities and contract facilities designed, constructed, and operated to meet or exceed environmental and public health regulations and to minimize their impacts on nearby communities.

**Illegal Dumping - \$135,766 and 0.25 FTEs.** This proposal expands the illegal dumping program's existing level of service and enhances coordination with the Roads Services Division. The proposal includes consulting services for a public relations campaign as part of the Illegal Dumping Prevention Program to increase public awareness and prevent illegal dumping.

**Green Building Increases - \$91,000.** This proposal increases SWD's support for the Green Building Incentive Fund and Sustainable Development Center. Both programs support King County's commitment to minimize the environmental impacts of construction by encouraging practices that conserve resources, use recycled content materials, maximize energy efficiency, and otherwise address environmental and social considerations in county-wide projects. This brings the total funding for the Green Building Program to \$630,170 in 2007.

### **Technical Adjustments**

**Landfill Reserve Fund Transfer - (\$2,171,960).** Because of SWD's innovative waste reduction and waste management practices, the expected useful life of the Cedar Hills Regional Landfill has been extended to 2016. This extension allows more time than anticipated to build the reserve necessary to develop, close, and maintain the landfill after closure. As a result, the proposal reduces the annual contribution to the Landfill Reserve Fund.

**Contribution to the Capital Equipment Replacement Fund - \$700,847.** This is the scheduled transfer required to provide the capital fund with the resources needed for the timely replacement of equipment.

**Construction Fund Transfer - \$3,746,792.** This is a scheduled transfer to provide the Construction Fund with the necessary resources for capital improvements to transfer stations and to minimize future debt. Upgrades to the transfer system will significantly improve current operations and facilitate the efficient implementation of the Transfer and Waste Export System Plan when it is approved.

**Changes to Term-Limited Positions - (\$120,180) and 2.00 FTEs and (4.00) TLTs.** As part of its annual review, Solid Waste will eliminate two TLT positions entirely and reclassify two Metal Fabricators as FTEs. The Metal Fabricators participated in a pilot program to rebuild approximately 50 trailers. The program was a success and will be continued permanently, requiring the positions to be reclassified as FTEs.

**Annual Zero-Based Budget Adjustments - \$277,856.** This proposal makes various routine annual adjustments to expenditures to reflect anticipated 2007 budgetary needs. The adjustments include increasing the reserve for supplemental pension payouts, in accord with the Local 174 agreement, and increasing the salaries of Local 302 members to implement the labor agreement signed in 2006.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Diesel Fuel - \$911,382.** This proposal increases the budget for diesel fuel in response to increasing diesel prices and greater fuel consumption based on business activity.

**Central Rate Adjustments - (\$38,885).** Central rate adjustments include CX Overhead, Healthy Workplace Funding Initiative, ITS Infrastructure and O&M, GIS, OIRM, Telecommunications Services and Overhead, Motor Pool, Insurance Charges, Radio charges, Prosecuting Attorney, Debt Service, Long Term Leases, Financial Services Charge, Equipment Repair and Replacement, LTGO Debt Insurance, Property Services Management, and COLA.

### **Waste Diversion**

The Solid Waste Division has a goal to divert as much material as possible from disposal and to promote a Zero Waste of Resources goal (to have no disposal of materials with economic value by 2030).

**Recyclables Hauling Efficiencies - \$658,017 and 6.00 FTEs.** Currently, a private contractor hauls recyclables from transfer stations to recycling processors; however, analysis demonstrates that costs will be reduced if the work is performed by SWD employees. This proposal reflects the start-up costs associated with bringing recyclable materials hauling in-house. Start-up costs include the one-time purchase of trucks. The program will begin to generate savings in 2009.

**Local Hazardous Waste Management Program (LHWMP) - \$482,775 and 4.80 FTEs.** Increased funding from LHWMP will support 4.80 new FTEs to staff the household hazardous waste collection site at the Factoria Transfer Station.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Solid Waste - Fund 4040

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	25,315,818	26,926,788	28,372,116	23,018,265	12,272,611	12,744,225
<b>Revenues</b>						
*Net Disposal Fees <sup>4,5,7</sup>	82,141,242	80,108,834	81,830,489	83,170,290	99,302,026	102,173,720
*Moderate Risk Waste (MRW)	2,917,638	2,973,435	3,112,435	2,978,110	3,067,453	3,159,477
*Recycling Revenues (excluding MRW)	449,418	605,600	503,000	453,000	481,590	496,038
*Grants	529,096	588,286	1,027,026	900,000	537,000	537,000
*Landfill Gas to Energy						200,000
*Interest Earnings	762,128	600,000	1,090,176	800,582	622,067	597,371
*Other <sup>6</sup>	1,337,185	75,567	67,221	64,646	66,585	68,583
*DNRP Administration (0381)	4,392,616	4,832,811	4,977,159	5,380,460	5,507,214	5,672,431
*DNRP Adm 0381 - 1st Qtr Omn; DOE Grant			250,000			
<b>Total Revenues</b>	92,529,323	89,784,533	92,857,506	93,747,088	109,583,936	112,904,619
<b>Expenditures</b>						
*Solid Waste Division <sup>7,13,14,15</sup>	(61,175,575)	(66,820,721)	(65,737,188)	(73,593,920)	(76,134,180)	(80,046,629)
*Landfill Reserve Fund Transfer	(8,009,717)	(8,021,240)	(5,634,432)	(5,849,280)	(6,230,963)	(6,601,470)
*CERP Fund Transfer <sup>8</sup>	(2,520,000)	(3,398,342)	(3,398,342)	(4,099,189)	(5,603,946)	(5,103,946)
*Debt Service - Existing Debt	(6,262,745)	(6,272,857)	(6,272,857)	(6,290,636)	(2,714,284)	(2,711,743)
*Debt Service - New Debt <sup>9</sup>					(3,410,310)	(5,576,860)
*Construction Fund Transfer <sup>10</sup>			(1,706,290)	(3,746,792)	(3,000,000)	(2,000,000)
*Rent, Cedar Hills Landfill	(7,210,000)	(7,426,300)	(7,426,300)	(7,657,589)	(7,887,317)	(8,123,936)
*Host City Mitigation					(800,000)	(822,883)
*Expenditures from Prior Year Carryover			(3,200,431)			
*SWD - Local 0302 Supplemental			(1,078,914)			
*SWD - 1st Qtr Omn; Brownfields/Cont. Soils			(377,376)			
*DNRP Administration 0381 <sup>13</sup>	(4,294,988)	(4,977,159)	(4,977,159)	(5,346,810)	(5,507,214)	(5,672,431)
*DNRP Adm 0381 - 1st Qtr Omn; DOE Grant			(250,000)			
<b>Total Expenditures</b>	(89,473,025)	(96,916,619)	(100,059,289)	(106,584,216)	(111,288,214)	(116,659,897)
<b>Estimated Underexpenditures<sup>11</sup></b>		1,875,265	1,847,932	2,091,474	2,175,892	2,290,505
<b>Other Fund Transactions</b>						
*						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	28,372,116	21,669,967	23,018,265	12,272,611	12,744,225	11,279,451
<b>Reserves &amp; Designations</b>						
*Council Proviso; Ord. #15652; Sec. 92; P2				(2,000,000)	(2,000,000)	(2,000,000)
*Encumbrance Carryovers - SWD	(3,139,346)					
*Encumbrance Carryovers - DNRP Adm 0381	(61,085)					
*Unencumbered Carryovers - SWD	-					
<b>Total Reserves &amp; Designations</b>	(3,200,431)	0	0	(2,000,000)	(2,000,000)	(2,000,000)
<b>Ending Undesignated Fund Balance</b>	25,171,685	21,669,967	23,018,265	10,272,611	10,744,225	9,279,451
<b>Target Fund Balance<sup>12</sup></b>	7,646,947	8,258,819	8,217,149	9,199,240	9,516,773	9,923,222

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR and the 14th Month ARMS report.

<sup>2</sup> 2006 Estimated is based on preliminary estimates from Solid Waste Division made in June 2006.

<sup>3</sup> 2008 and 2009 Projected are based on 3% inflation in most cases when better projections were not available.

<sup>4</sup> 2006 Estimated assumes tonnage of 998,583 tons based on activity year-to-date and Division projections.

<sup>5</sup> Revenue is based on the Solid Waste Division's June 2006 long-term tonnage forecast. Forecast disposal is 1,017,000 tons in 2007, 1,052,300 tons in 2008, and 1,083,869 in 2009. Tonnage assumptions in 2006 and 2007 assume lost revenue during construction of the First Northeast Transfer Station.

<sup>6</sup> Other Revenue is comprised of intra-county contributions and other miscellaneous revenues.

<sup>7</sup> 2005-2009 expenditures reflect savings developed for the Solid Waste Change Initiative. 2006-2009 expenditures also include costs to handle increased tonnage at transfer stations resulting from the increase in the regional direct fee to \$69.50 per ton. Disposal fee projections assume a rate increase to \$95.00 per ton effective January 1, 2008. This rate is preliminary and subject to change as part of the rate evaluations process currently underway.

<sup>8</sup> Based on CERP policy to maintain sinking fund contribution for equipment replacement.

<sup>9</sup> The new debt service expenditures are anticipated to cover bond issuances anticipated in late 2007.

<sup>10</sup> This is a scheduled transfer to provide the Construction Fund (3901) with necessary resources to fund transfer station capital upgrades which will significantly improve current operations and facilitate an efficient transition to waste export.

<sup>11</sup> Assumed under-expenditures equal 3% of Solid Waste Division operating expenditures, excluding grant funded expenditures and transfers to other funds.

<sup>12</sup> Minimum fund balance target based on 45-day cash reserve policy (SWD operating expenditures x 45/360).

<sup>13</sup> This represents the reduction of the COLA to 2.00% adopted by Council from the 2.36% rate submitted in the Executive proposed budget.

<sup>14</sup> The Council adopted a proviso that added \$100,000 in expenditure authority to be spent on an independent consultant to review waste-to-energy technologies.

<sup>15</sup> The Council removed expenditure authority and FTEs associated with a request to bring the recyclables hauling program in-house. Expenditure authority to cover the cost of extending the contract and continue the service was restored.

## C O U N C I L A D O P T E D B U D G E T

**Council Changes to Recyclables Hauling Efficiencies – (\$166,220) and (6.0) FTEs.** Council did not approve the proposed project to bring recyclables hauling in-house. Council reduced \$166,220 of the

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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*\$658,017 proposed increase to leave sufficient funding to maintain the current recyclables hauling contract through 2007.*

***Waste-to-Energy Study - \$100,000.*** *Council increased expenditure authority by \$100,000 to fund an independent consultant to study the feasibility of a waste-to-energy strategy for disposal of the county's mixed municipal waste stream, or a portion thereof.*

***COLA Decrease – (\$71,337).*** *Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$71,337 in the 2007 budget.*

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Solid Waste Post-Closure Landfill Maintenance 1040/0715**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	4,683,229	1.00	0.00
		Status Quo*	(5,700)	0.00	0.00
		<b>Status Quo Budget</b>	<b>4,677,529</b>	<b>1.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(113)	0.00	0.00
			<b>(113)</b>	<b>0.00</b>	<b>0.00</b>
<b>Environmental Stewardship</b>					
PC01		Sale of South Park Site	(114,858)	0.00	0.00
			<b>(114,858)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Vashon Road Rebuild Deferral	(1,042,000)	0.00	0.00
TA02		Equipment for New Utility Worker Position	(40,800)	0.00	0.00
TA03		Adjustment for Overhead and Labor/Benefits	65,130	0.00	0.00
TA04		Adjustment for Misc Supplies and Equipment	(27,910)	0.00	0.00
TA05		Adjustment for Consulting and Other Services	117,335	0.00	0.00
TA50		Investment Income Adjustment	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	(203)	0.00	0.00
CR08		Technology Services Infrastructure Charge	(17)	0.00	0.00
CR10		Office of Information Resource Management Charge	134	0.00	0.00
CR25		Financial Services Charge	4,643	0.00	0.00
CR39		COLA Adjustment	135	0.00	0.00
			<b>(923,553)</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>3,639,005</b>	<b>1.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **SWD – Landfill Post-Closure Maintenance**

The 2007 Executive Proposed Budget for Solid Waste Post-Closure Landfill Maintenance budget is \$3,639,118 with 1.00 FTE. The Solid Waste Post-Closure Maintenance Fund continues to fulfill its mission to maintain closed landfills around King County in compliance with environmental and health regulations. The primary factors affecting the 2007 Executive Proposed Budget are the decision to defer rebuilding the road at the Vashon Landfill and the sale of the South Park site.

#### **Environmental Stewardship**

The Solid Waste Division's goals include having its facilities—including closed landfills—designed, constructed, and operated to meet or exceed environmental and public health regulations and to minimize their impacts on nearby communities.

**Sale of South Park Site - (\$114,858).** This proposal reduces expenditures in the areas of engineering oversight, overhead, supplies, utilities, and property maintenance services as a result of the sale of the South Park property. Under the purchase and sale agreement for the South Park property, the purchaser is required to develop the site for an industrial or commercial use and is required to remediate the contamination of the site at its own cost and comply with all regulatory requirements in doing so.

#### **Technical Adjustments**

**Vashon Road Rebuild Deferral - (\$1,042,000).** Due to the unavailability of staff, the Vashon Road Rebuild project has been deferred. Customers will experience a short detour when accessing the Vashon Transfer Station during construction.

**Equipment for Utility Worker - (\$40,800).** This reduction results from a one-time expenditure in 2006 to purchase a vehicle and other equipment for a utility worker to perform maintenance at closed landfills.

**Overhead and Labor/Benefits - \$65,130.** This proposal includes technical adjustments to overhead, labor, and benefits primarily associated with loan in loan out labor.

**Miscellaneous Supplies and Equipment - (\$27,910).** This proposal consists primarily of a reduction in one-time expenditures associated with the replacement of five gas meters.

**Consulting and Other Services - \$117,335.** This proposal is an annual adjustment of non-recurring consultant and professional services requests, as well as some reduction in the budget associated with the laboratory analysis of environmental samples. Generally, 2007 consultant and professional services requests are for enhancements to environmental systems.

**Central Rate Adjustments - \$4,692.** Central rate adjustments include CX Overhead, ITS Infrastructure, OIRM, Financial Services charge, and COLA.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Solid Waste Post Closure Landfill/Fund 1040

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	24,891,294	22,126,744	23,069,465	20,664,262	18,035,233	17,410,172
<b>Revenues</b>						
* Interest Income <sup>4</sup>	718,539	1,003,730	1,024,603	900,805	880,225	848,347
* *						
* *						
<b>Total Revenues</b>	718,539	1,003,730	1,024,603	900,805	880,225	848,347
<b>Expenditures</b>						
* Expenditures	(2,540,368)	(4,683,229)	(2,964,643)	(3,639,005)	(1,551,841)	(1,551,841)
* Encumbrance Carryovers			(571,239)			
* *						
<b>Total Expenditures</b>	(2,540,368)	(4,683,229)	(3,535,882)	(3,639,005)	(1,551,841)	(1,551,841)
<b>Estimated Underexpenditures <sup>5</sup></b>		140,497	106,076	109,170	46,555	46,555
<b>Other Fund Transactions</b>						
* *						
* *						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	23,069,465	18,587,743	20,664,262	18,035,233	17,410,172	16,753,233
<b>Reserves &amp; Designations</b>						
* Reserves for custodial landfills <sup>6</sup>	(7,424,415)	(5,018,691)	(5,579,351)	(4,869,513)	(4,700,746)	(4,523,373)
* Reserves for closed landfills <sup>7</sup>	(13,948,900)	(13,011,420)	(14,464,984)	(12,624,663)	(12,187,120)	(11,727,263)
* Program contingency <sup>8</sup>	(1,124,911)	(557,632)	(619,928)	(541,057)	(522,305)	(502,597)
* Carryover Items	(571,239)					
<b>Total Reserves &amp; Designations</b>	(23,069,465)	(18,587,743)	(20,664,262)	(18,035,233)	(17,410,172)	(16,753,233)
<b>Ending Undesignated Fund Balance</b>	0	0	0	0	0	0
<b>Target Fund Balance <sup>9</sup></b>	N/A	N/A	N/A	N/A	N/A	N/A

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from 14th month ARMS report.

<sup>2</sup> 2006 Estimated is based on projections made in June 2006.

<sup>3</sup> 2008 and 2009 Projected are based on uninflated projections in the GASB report.

<sup>4</sup> Interest Income assumptions are based on interest rate projections provided by the Office of Management and Budget

<sup>5</sup> Underexpenditure is 3% of expenditures.

<sup>6</sup> 27% of Fund Balance, except for 2005 Actuals

<sup>7</sup> 70% of Fund Balance, except for 2005 Actuals

<sup>8</sup> 3% of Fund Balance, except for 2005 Actuals.

<sup>9</sup> No target fund balance is required other than noted for projected reserves requirements and program contingencies.

## C O U N C I L A D O P T E D B U D G E T

**COLA Decrease – (\$113).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$113 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Wastewater Treatment 4610/4000M**

Code	Item Description	Expenditures	FTEs *	TLTs
Program Area				
PE	2006 Adopted	92,951,393	598.70	32.00
	Status Quo*	2,788,607	3.00	(3.00)
	Status Quo Budget	95,740,000	601.70	29.00
Council Changes				
CC25	Revenue Adjustment	0	0.00	0.00
CC39	Council COLA Adjustment	(138,758)	0.00	0.00
		(138,758)	0.00	0.00
Technical Adjustment				
TA01	Technical Adjustments	151,493	(3.00)	5.00
TA02	Reliability Based Maintenance Methods Training	150,000	0.00	0.00
TA03	Revenue Adjustments	0	0.00	0.00
CR05	Current Expense Overhead Adjustment	29,845	0.00	0.00
CR06	Healthy Workplace Funding	50	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(8,118)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(15,965)	0.00	0.00
CR10	Office of Information Resource Management Charge	2,130	0.00	0.00
CR11	Telecommunications Services	(70,149)	0.00	0.00
CR12	Telecommunications Overhead	(213)	0.00	0.00
CR13	Motor Pool Usage Charge	(14,732)	0.00	0.00
CR15	Insurance Charges	(172,631)	0.00	0.00
CR16	Radio Access	(5,125)	0.00	0.00
CR17	Radio Maintenance	(1,019)	0.00	0.00
CR18	Radio Direct	(1,429)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	6,366	0.00	0.00
CR22	Long Term Leases	(19,300)	0.00	0.00
CR25	Financial Services Charge	(71,262)	0.00	0.00
CR29	Wastewater Vehicles	20,868	0.00	0.00
CR36	Property Services Lease Administration Fee	(327)	0.00	0.00
CR39	COLA Adjustment	108,585	0.00	0.00
		89,067	(3.00)	5.00
2007 Adopted Budget		95,690,309	598.70	34.00

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Wastewater Treatment Division (WTD)**

Changes made to WTD's 2006 Adopted Budget during the PSQ process were made based on a proposed 2007 sewer rate of \$28.35 and capacity charge of \$34.05. The most significant adjustments were made for central rates and overhead; salaries and benefits; TLT reconciliation; conversion of LTGO Debt Insurance Operating Transfer to Debt Service; allocation of a portion of Industrial Insurance to CIP in response to audit recommendations; increasing the vacancy assumption from 2% to 3%; one-time Microsoft licensing costs; biosolids haul and application, treatment plant chemicals, utilities, permits, grit haul and disposal, and general O&M costs; the Transfer to WLRD; Capacity Charge FTE and Sonar Inspection FTEs; annualization of fuel cell O&M; and target reductions to supplies and services division-wide. In June 2006, Council adopted a 2007 sewer rate of \$27.95 and a capacity charge of \$42.00. Further adjustments have been made in the proposed budget as a result of these rate changes as well as further refinements to central rates and overhead.

#### **WTD Operating**

##### **Technical Adjustments**

**Technical Adjustments - \$151,493, (3.00) FTEs and 5.00 TLTs.** These technical adjustments to the WTD 2007 PSQ budget are a result of changes that have occurred since the 2007 sewer rate proposal was developed. The most significant adjustments include reallocation of a PSQ Capacity Charge FTE to a vacant position, removal of the PSQ Sonar Inspection FTEs, the June TLT Reconciliation, elimination of the balancing contra, adjustments to various O&M accounts, adjusting the transfer to WLRD, revising Telecommunications Services and Cell Phone and Pager Services to the actual level of services, and adjusting DNRP Overhead.

**Reliability Based Maintenance Methods Training - \$150,000.** This proposal provides additional funding for training O&M staff at the West Point and Renton Treatment Plants in best practices and technologies not currently used or underutilized.

**Central Rates – (\$212,426).** Central rate adjustments were made for Current Expense Overhead, Healthy Workplace Funding, Technology Services O&M, Technology Services Infrastructure, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Access, Radio Maintenance, Radio Direct, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Financial Management Services Rebate, Wastewater Vehicles, Property Services Lease Admin Fee, and COLA.

#### **C O U N C I L   A D O P T E D   B U D G E T**

**COLA Decrease – (\$138,758).** *Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$138,758 in the 2007 budget.*

#### **WTD Debt Service**

##### **Technical Adjustments**

**Technical Adjustments - (\$736,970).** These technical adjustments to the WTD 2007 PSQ budget are a result of changes that have occurred since adoption of the 2007 sewer rate.

#### **C O U N C I L   A D O P T E D   B U D G E T**

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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*Council made no changes to the 2007 Executive Proposed Budget.*

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Wastewater Treatment Debt Service 4610/4999M**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i><b>DS</b></i>			
		2006 Adopted	129,953,011	0.00	0.00
		Status Quo*	19,841,343	0.00	0.00
		<b>Status Quo Budget</b>	<b>149,794,354</b>	<b>0.00</b>	<b>0.00</b>
<b>No Change Dynamic</b>					
TA01		Technical Adjustments	(736,970)	0.00	0.00
			<b>(736,970)</b>	<b>0.00</b>	<b>0.00</b>
		<b>2007 Adopted Budget</b>	<b>149,057,384</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## WASTEWATER TREATMENT ENTERPRISE FUND

	2005	2006	2006	2007	2008	2009
	Audited	Adopted	Estimated	Adopted	Projected	Projected
CUSTOMER EQUIVALENTS (RCEs)	689.82	676.35	693.27	696.73	700.22	703.72
MONTHLY RATE	\$25.60	\$25.60	\$25.60	\$27.95	\$27.95	\$34.04
BEGINNING OPERATING FUND	7,417	22,529	22,048	22,871	29,304	9,855
OPERATING REVENUE:						
Customer Charges	212,069	207,776	212,971	233,684	234,852	287,468
Investment Income	6,617	6,202	7,555	12,973	15,477	16,486
Capacity Charge	17,006	23,093	19,902	23,320	27,352	31,660
Rate Stabilization	(14,500)	7,756	350	(5,800)	19,950	0
Other Income	6,468	5,766	6,076	6,190	6,376	6,567
TOTAL OPERATING REVENUES	227,660	250,592	246,855	270,368	304,007	342,182
OPERATING EXPENSE	(83,651)	(92,951)	(91,474)	(95,690)	(99,035)	(102,996)
DEBT SERVICE REQUIREMENT PARITY DEBT	(108,520)	(115,104)	(114,800)	(128,949)	(153,039)	(180,268)
SUBORDINATED DEBT SERVICE	(9,100)	(14,849)	(14,497)	(20,108)	(22,043)	(24,105)
DEBT SERVICE COVERAGE RATIO PARITY DEBT	1.33	1.37	1.35	1.35	1.34	1.33
DEBT SERVICE COVERAGE RATIO TOTAL PAYMENTS	1.22	1.16	1.15	1.15	1.15	1.15
LIQUIDITY RESERVE CONTRIBUTION	(131)	(914)	(1,173)	(632)	(502)	(594)
TRANSFERS TO CAPITAL	(26,257)	(26,775)	(24,912)	(24,987)	(29,388)	(34,218)
RATE STABILIZATION RESERVE	14,500	6,744	14,150	19,950	0	0
OPERATING LIQUIDITY RESERVE BALANCE	7,548	8,943	8,721	9,354	9,855	10,449
OPERATING FUND ENDING BALANCE	22,048	15,687	22,871	29,304	9,855	10,449

## CONSTRUCTION FUND

BEGINNING FUND BALANCE	21,994	24,592	48,136	8,858	5,164	5,000
REVENUES:						
Parity Bonds	200,000	84,190	100,000	228,044	338,086	378,579
Variable Debt Bonds	0	50,000	50,000	28,617	44,696	49,889
Grants & Loans	23,117	12,717	17,412	10,809	3,008	83
Other	2,231	4,500	4,500	2,000	2,000	2,000
Transfers From Operating Fund	26,257	26,775	24,912	24,987	29,388	34,218
TOTAL REVENUES	251,605	178,182	196,824	294,457	417,178	464,768
CAPITAL EXPENDITURES	(223,028)	(184,292)	(229,253)	(295,579)	(410,870)	(455,362)
DEBT ISSUANCE COSTS	(1,613)	(1,934)	(1,341)	(4,704)	(6,985)	(7,821)
BOND RESERVE TRANSACTIONS	(87)	0	0	0	0	0
AMOUNTS TO ASSET MANAGEMENT RESERVE	(3,000)	(3,000)	(3,000)	0	0	0
ADJUSTMENTS	2,265	(8,548)	(2,508)	2,132	514	(1,583)
ENDING FUND BALANCE	48,136	5,000	8,858	5,164	5,000	5,002
CONSTRUCTION FUND RESERVES						
Bond & SRF Reserves	79,902	69,925	79,329	75,671	73,630	73,685
Policy Reserves	18,213	28,615	17,372	18,899	20,426	21,953
TOTAL FUND RESERVES	98,115	98,541	96,702	94,570	94,056	95,639
CONSTRUCTION FUND BALANCE	146,251	103,541	105,559	99,733	99,056	100,641

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Water and Land Resources Shared Services 1210/0741**

Code	Item	Description	Expenditures	FTEs *	TLTs	
Program Area						
			2006 Adopted	27,025,497	208.42	1.22
	PE		Status Quo*	1,397,864	0.00	0.00
			Status Quo Budget	28,423,361	208.42	1.22
Council Changes						
CC01		Denny Creek Watershed Study	4,000	0.00	0.00	
CC02		Friends of the Trail	50,000	0.00	0.00	
CC03		Lake Stewardship Milfoil Reduction	10,000	0.00	0.00	
CC39		Council COLA Adjustment	(44,361)	0.00	0.00	
			19,639	0.00	0.00	
External Funding						
PC02		Information Technology Support	98,341	1.00	0.00	
			98,341	1.00	0.00	
Regulatory Requirement						
PC01		New NPDES Permit Requirement	139,618	1.60	0.00	
			139,618	1.60	0.00	
Technical Adjustment						
TA01		Miscellaneous Budget Changes	(23,019)	0.00	0.00	
TA02		Miscellaneous Staffing Changes	(4,829)	0.90	(0.60)	
TA50		General Revenues	0	0.00	0.00	
CR05		Current Expense Overhead Adjustment	105,473	0.00	0.00	
CR08		Technology Services Infrastructure Charge	(129,577)	0.00	0.00	
CR09		Geographic Information Systems Charge	41,846	0.00	0.00	
CR10		Office of Information Resource Management Charge	(19,546)	0.00	0.00	
CR11		Telecommunications Services	(11,241)	0.00	0.00	
CR12		Telecommunications Overhead	(1,846)	0.00	0.00	
CR13		Motor Pool Usage Charge	(8,874)	0.00	0.00	
CR15		Insurance Charges	(7,763)	0.00	0.00	
CR16		Radio Access	341	0.00	0.00	
CR17		Radio Maintenance	399	0.00	0.00	
CR19		Radio Reserve Program	212	0.00	0.00	
CR20		Prosecuting Attorney Civil Division Charge	66,912	0.00	0.00	
CR21		Debt Service Adjustment	(59)	0.00	0.00	
CR22		Long Term Leases	156,451	0.00	0.00	
CR25		Financial Services Charge	28,474	0.00	0.00	
CR28		Equipment Repair and Replacement	(432)	0.00	0.00	
CR29		Wastewater Vehicles	497	0.00	0.00	
CR36		Property Services Lease Administration Fee	(444)	0.00	0.00	
CR39		COLA Adjustment	50,058	0.00	0.00	
			243,033	0.90	(0.60)	
2007 Adopted Budget			28,923,992	211.92	0.62	

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.



**Water and Land Resources Shared Services 1210/0741**

Proviso(s):

EXPENDITURE RESTRICTION:

Of this appropriation, \$274,000 shall be expended only for the Agriculture program and shall not be expended unless: (1) ordinances have been enacted imposing a natural resource conservation special assessment for collection in 2007 and authorizing an interlocal agreement with the King Conservation District regarding the assessment; and (2) the executive certifies to the council on or before December 31, 2006, that the interlocal agreement has been signed by King County and the King

EXPENDITURE RESTRICTION:

Of this appropriation, \$64,000 shall be expended solely for the following programs and in the following amounts:

Denny Creek Watershed Study \$4,000  
Friends of the Trail \$50,000  
Lake Stewardship Milfoil Reduction \$10,000

EXPENDITURE RESTRICTION:

From the Category III funds (Culver program), the following amounts shall be expended solely on the following:

Cedar River Council \$50,000  
EarthCorps \$200,000  
Ecological Restoration Crews \$112,000  
Friends of Hylebos \$60,000  
Friends of Issaquah Salmon Hatchery \$20,000  
Waterworks Block Grant Program \$550,000  
Waterworks Program Management \$110,000  
WSU Extension \$334,100

PROVISO:

Of this appropriation, \$250,000 shall not be expended or encumbered until the council approves by motion a report submitted by the executive on noxious weed control by county land managers. The report shall include a detailed list of county lands, the responsible land manager and an evaluation of the land manager's effort to control noxious weeds, with an emphasis on county land with a history of repeated infestations. The report shall contain recommendations on how county land managers might better control weeds on county land. This report shall cover lands managed by the roads division, parks and recreation division, water and land resources division, solid waste division, wastewater division, facilities management division and metrotransit division.

The executive shall file the report and proposed motion by June 15, 2007, in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and the lead staff for the growth

PROVISO:

Of this appropriation \$130,000 and 1.5 FTEs shall be dedicated to supporting the programmatic and staffing needs of the Cedar River council. The executive shall transmit a report to the county council by June 30, 2007. This report shall present alternatives including the options and feasibility of absorbing this body of work into the normal operations of the division.

The report required to be submitted by this proviso must be filed in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the growth management and natural resources committee, or its successor.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Water and Land Resources Division (WLRD) - Water and Land Resources Shared Services**

The total 2007 Executive Proposed Budget for Water and Land Resources Shared Services Fund (WLRSS) is \$28,904,353 with 211.92 FTEs and 0.62 TLTs. Additions to the WLRSS budget are fully revenue backed by the proposed 9 percent increase in the SWM Fee or contract revenue sources. The 2007 Executive Proposed Budget increases WLRSS' IT support, primarily for Wastewater Division projects, and increases staffing to meet the new NPDES permit requirements.

#### **External Funding**

The WLRSS is a fully reimbursable fund and makes additions to its staff commensurate with external funding sources.

**Information Technology (IT) Support - \$98,341 and 1.00 FTE.** This request adds 1 FTE to the WLRSS IT unit to provide specialized support services to the Science Section. Seventy percent of the position will be funded by the Wastewater Division (WTD). The need for this position was identified during the annual WTD rate process.

#### **Regulatory Requirements**

WLRD is responsible for ensuring King County's compliance with numerous federal environmental regulations. The division prioritizes work necessary to meet these mandatory requirements.

**New National Pollution Discharge Elimination System (NPDES) - \$139,618 and 1.60 FTEs.** This proposal funds 1.60 new FTEs to undertake the work necessary to comply with King County's NPDES General Municipal Stormwater Permit, scheduled to be updated and reissued by the State Department of Ecology in late 2006. The new FTEs will supplement 2.22 existing FTEs, which will be reassigned to NPDES related work. NPDES related expenditures in Fund 1210 will total approximately \$500,000.

#### **Technical Adjustment**

**Miscellaneous Budget Changes - (\$23,019).** These are technical adjustments with no programmatic impact. Changes include routine salary adjustments and adjustments to accounts throughout the division.

**Miscellaneous Staffing Changes - (\$4,826) and (0.60) TLT.** This proposal makes a number of staffing changes, including: adding a 0.30 FTE in Visual Communications/GIS to meet contract and workload needs; reducing 1.5 vacant FTEs from Cedar River Council support because existing WLRDSS positions have been reprogrammed to accomplish this work; transferring 1 FTE to Fund 1210 from Fund 1211; eliminating 1 FTE from the WRIA 8 Team in accordance with the projected work program; adding 1 FTE that is fully supported by the Solid Waste Division to perform monitoring and analysis of groundwater conditions in the vicinity of Solid Waste facilities; converting a 0.60 TLT to a 0.60 FTE to correct an error in the 2006 Adopted Budget; and increasing an existing 0.50 FTE by 0.50 to support the Capital Improvement Program.

**Central Rate Adjustments – \$270,881.** Central rate adjustments include CX Overhead, ITS Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Long Term Lease and Lease Administration Fee, Finance, Wastewater Vehicles, Motor Pool, Radio charges, LTGO Debt Insurance, Equipment Repair and Replacement, Property Services Management, and COLA..

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Water and Land Resources Shared Services Fund 1210

Category	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated	2007 Adopted	2008 Projected <sup>4</sup>	2009 Projected <sup>4</sup>
<b>Beginning Fund Balance</b>	1,728,639	0	1,683,908	192,560	48,473	48,473
<b>Revenues</b>						
SWM Service Charge	14,809,688	0				
WTD Operating	12,788,899	12,755,801	13,577,993	13,356,326	13,823,797	14,307,630
WTD Capital	736,618	796,003	771,003	707,353	732,110	757,734
Local Haz Waste	3,401,828	3,904,712	3,915,142	4,240,099	4,388,502	4,542,100
Current Expense	230,707		0	0	0	0
SWM Transfer from 1211		6,280,280	6,572,223	6,793,781	6,861,719	6,930,336
Other Revenues	6,124,334	3,530,776	4,430,640	3,682,346	3,811,228	3,944,621
<b>Total Revenues</b>	<b>38,092,074</b>	<b>27,267,572</b>	<b>29,267,001</b>	<b>28,779,905</b>	<b>29,617,357</b>	<b>30,482,422</b>
<b>Expenditures</b>						
Operating Expenditures	(33,421,617)	(27,025,497)	(27,025,497)	(28,923,992)	(29,617,357)	(30,482,422)
CIP PAYG	(3,018,843)					
CIP Debt Service	(1,696,345)					
ARMS Encumbrance Carryover			(129,365)			
IBIS PO Reinstatements			(822,192)			
1st Qtr Omnibus			(936,902)			
2nd Qtr Omnibus			(289,835)			
<b>Total Expenditures</b>	<b>(38,136,805)</b>	<b>(27,025,497)</b>	<b>(29,203,791)</b>	<b>(28,923,992)</b>	<b>(29,617,357)</b>	<b>(30,482,422)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
Transfer of FB to Fund 1211 <sup>2</sup>			(1,554,558)			
<b>Total Other Fund Transactions</b>			(1,554,558)			
<b>Ending Fund Balance</b>	1,683,908	242,075	192,560	48,473	48,473	48,473
<b>Designations and Reserves</b>	-	-	-	-	-	-
<b>Total Designations and Reserves</b>	-	-	-	-	-	-
<b>Ending Undesignated Fund Balance</b>	<b>1,683,908</b>	<b>242,075</b>	<b>192,560</b>	<b>48,473</b>	<b>48,473</b>	<b>48,473</b>
<b>Target Fund Balance<sup>3</sup></b>	868,962	N/A	N/A	N/A	N/A	N/A

**Financial Plan Notes:**

<sup>1</sup> 2005 actuals based on 14th month ARMS report.

<sup>2</sup> As part of the WLR financial restructure, Fund 1211 was converted to record costs from the local SWM program. Fund balance from SWM in Fund 1210 was transferred to Fund 1211.

<sup>3</sup> The Shared Services fund operates on a reimbursement basis for all expenditures; no minimum fund balance is required.

<sup>4</sup> 2008 and 2009 revenues are assumed to increase by 3.5%, except the SWM transfer which is anticipated to increase by 1%, commensurate with the growth assumption for number of parcels.

## C O U N C I L A D O P T E D B U D G E T

**Denny Creek Watershed – \$4,000.** The Council increased expenditure authority for the Denny Creek Watershed Study.

**Friends of the Trail – \$50,000.** The Council increased expenditure authority for Friends of the Trail.

**Lake Stewardship Milfoil Reduction – \$10,000.** The Council increased expenditure authority for the Lake Stewardship Milfoil Reduction project.

**COLA Decrease – (\$44,361).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$44,361 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN****Surface Water Management Local Drainage Services 1211/0845**

Code	Item Description	Expenditures	FTEs *	TLTs
Program Area				
	2006 Adopted	22,055,911	112.90	1.00
PE	Status Quo*	953,852	0.00	0.00
	Status Quo Budget	23,009,763	112.90	1.00
Council Changes				
CC39	Council COLA Adjustment	(24,233)	0.00	0.00
		(24,233)	0.00	0.00
Inflationary Pressures				
PC02	Residential Retention Detention Maintenance Backlog	122,273	0.00	0.00
PC05	Natural Lands Reduction	(96,414)	(1.00)	0.00
		25,859	(1.00)	0.00
Regulatory Requirement				
PC01	NPDES Permit Requirement	748,548	3.00	0.00
PC03	Stormwater Underground Injection Control	17,060	0.00	0.00
		765,608	3.00	0.00
Technical Adjustment				
PC04	30 Percent Transfer to CIP	593,000	0.00	0.00
ta01	Miscellaneous Technical Changes	27,110	0.00	0.00
TA02	Miscellaneous Staffing Changes	(116,394)	(0.75)	0.00
TA50	General Revenue	0	0.00	0.00
CR05	Current Expense Overhead Adjustment	(214,208)	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	51,953	0.00	0.00
CR08	Technology Services Infrastructure Charge	93,290	0.00	0.00
CR10	Office of Information Resource Management Charge	15,316	0.00	0.00
CR13	Motor Pool Usage Charge	20,664	0.00	0.00
CR16	Radio Access	2,730	0.00	0.00
CR17	Radio Maintenance	1,064	0.00	0.00
CR19	Radio Reserve Program	1,611	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	(152,509)	0.00	0.00
CR21	Debt Service Adjustment	(2,576)	0.00	0.00
CR25	Financial Services Charge	20,074	0.00	0.00
CR28	Equipment Repair and Replacement	(22,043)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	(1,244)	0.00	0.00
CR39	COLA Adjustment	22,266	0.00	0.00
		340,104	(0.75)	0.00
2007 Adopted Budget		24,117,101	114.15	1.00

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

PROVISO:

Of this appropriation, \$100,000 shall not be expended unless the water and land resources division provides a report by March 31, 2007, assessing whether there are long-term cost benefits to retrofitting existing surface water management facilities using low-impact development standards versus maintaining existing facilities.

The report shall be filed in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the growth management and natural resources committee, or its successor.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **WLRD - Surface Water Management Local Drainage Services**

The total 2007 Executive Proposed Budget for Surface Water Management Local Drainage Services Fund (SWM) is \$24,141,334 with 114.15 FTEs and 1.00 TLT. The 2007 Executive Proposed Budget includes a proposed 9 percent increase in the SWM Fee, which enables SWM to maintain its level of service in the face of inflationary pressures and meet mandatory regulatory requirements. In 2007, SWM increases staffing and the transfer to WLRSS to support the work necessary to comply with new National Pollution Elimination Discharge System (NPDES) permit requirements and state standards regarding stormwater underground injection control. Despite the SWM Fee increase and the elimination of one Natural Lands Management FTE, the SWM Fund is anticipated to drop below target fund balance by \$14,000 in 2007.

#### **Inflationary Pressures**

With inflation exceeding the growth in SWM Fee revenues since the last SWM Fee increase in 2002, WLRD has deferred some facilities maintenance. The proposed 9 percent SWM Fee increase will enable WLRD to begin to address this maintenance backlog. The SWM Fee increase, however, is not sufficient to overcome the inflationary pressures on the SWM Fund and an FTE reduction is necessary.

**Residential Retention Detention Maintenance Backlog - \$122,273.** This proposal continues to address the maintenance backlog among the approximately 1,400 stormwater drainage facilities in King County. Overcoming the backlog will take three to four years.

**Natural Lands Management Reduction - (\$96,414) and (1.00) FTE.** This proposal reduces Natural Lands Management staff by 1 FTE. The reduction is necessary due to the pressures inflation and regulatory requirements have placed on the SWM Fund.

#### **Regulatory Requirements**

WLRD is responsible for ensuring King County's compliance with numerous federal environmental regulations. The division prioritizes work necessary to meet these mandatory requirements.

**NPDES Requirements - \$748,548 and 3.00 FTEs.** This proposal funds 3 FTEs who will perform work necessary to comply with the NPDES General Municipal Stormwater permit, which is scheduled to be updated and reissued by the state Department of Ecology (DOE) in late 2006. The updated permit will require specific actions in 2007 to develop new and expanded programs that must be implemented in subsequent years to comply with the permit's programmatic requirements and performance measurements. Expenditures include a transfer of SWM revenues to Fund 1210 to fund NPDES work in Shared Services.

**Stormwater Underground Injection Control - \$17,060.** Washington DOE regulations require King County to gather documentation and information related to each of the 31 identified Underground Injection Control Wells in the county and register them with the state DOE. This proposal adds extra help staffing to perform the required analysis and mapping of the facilities.

#### **Technical Adjustment**

**30 Percent Transfer to Capital - \$593,000.** This proposal continues SWM's policy of transferring 30 percent of SWM fee revenues to CIP. The anticipated 9 percent increase in the SWM fee will generate \$1.8 million in new revenues, of which \$593,000 will be transferred to CIP in 2007.

**Miscellaneous Technical Changes - \$27,110.** This is a technical adjustment to a variety of accounts, including \$75,000 to begin transition planning for the SWM Fund for 2008 and beyond.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

**Miscellaneous Staffing Changes - (\$116,394) and (0.75) FTE.** This proposal transfers 1 FTE from SWM to WLRSS and increases an existing 0.50 FTE by 0.25 to provide clerical support needed in the River and Flood Plain Management unit. The 0.75 FTE will be loaned out to the River Improvement Fund.

**Central Rate Adjustments – (\$163,612).** Central rate adjustments include CX Overhead, ITS O&M and Infrastructure, OIRM, PAO, Finance, Motor Pool, Radio charges, LTGO Debt Insurance, Debt Service, Equipment Repair and Replacement, and COLA.

### Surface Water Management Local Drainage Services Fund 1211

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated	2007 Adopted	2008 Projected <sup>2</sup>	2009 Projected <sup>2</sup>
<b>Beginning Fund Balance</b>	<b>206,885</b>	<b>526,417</b>	<b>352,007</b>	<b>1,444,753</b>	<b>1,056,697</b>	<b>1,056,864</b>
<b>Revenues</b>						
SWM Service Charge	4,237,139	19,062,683	19,408,062	19,078,430	19,269,214	19,461,906
SWM Service Charge - 9% increase				1,849,570	1,868,066	1,886,746
Current Expense	-	371,742	371,742	380,268	393,577	407,353
Other	66,082	1,963,081	2,081,775	2,063,059	2,135,266	2,210,000
<b>Total Revenues</b>	<b>4,303,221</b>	<b>21,397,506</b>	<b>21,861,579</b>	<b>23,371,327</b>	<b>23,666,123</b>	<b>23,966,006</b>
<b>Expenditures</b>						
Operating Expenditures	(2,778,099)	(16,412,574)	(16,412,574)	(17,885,916)	(18,511,923)	(19,159,840)
CIP PAYG <sup>3</sup>	(1,380,000)	(3,937,522)	(3,937,522)	(4,530,522)	(4,640,521)	(4,703,933)
CIP Debt Service <sup>3</sup>		(1,705,815)	(1,705,815)	(1,700,663)	(1,700,663)	(1,700,663)
Encumbrance Carryover Expenditures			(93,041)			
1st Qtr Omnibus			(434,439)			
2nd Qtr Omnibus			(40,000)			
<b>Total Expenditures</b>	<b>(4,158,099)</b>	<b>(22,055,911)</b>	<b>(22,623,391)</b>	<b>(24,117,101)</b>	<b>(24,853,107)</b>	<b>(25,564,436)</b>
<b>Estimated Underexpenditures<sup>4</sup></b>		450,000	300,000	357,718	370,238	383,197
<b>Other Fund Transactions</b>						
Transfer of Fund Balance from Fund 1210 <sup>5</sup>			1,554,558			
Outyear Reductions to Meet Min Fund Balance <sup>6</sup>					816,912	1,225,802
<b>Total Other Fund Transactions</b>						
<b>Ending Fund Balance</b>	352,007	318,012	1,444,753	1,056,697	1,056,864	1,067,433
<b>Designations and Reserves</b>						
Reserve for Carryover	(93,041)					
<b>Total Designations and Reserves</b>	<b>(93,041)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Undesignated Fund Balance</b>	<b>258,966</b>	<b>318,012</b>	<b>1,444,753</b>	<b>1,056,697</b>	<b>1,056,864</b>	<b>1,067,433</b>
<b>Target Fund Balance<sup>7</sup></b>	<b>204,000</b>	<b>953,134</b>	<b>970,403</b>	<b>1,046,400</b>	<b>1,056,864</b>	<b>1,067,433</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 actuals based on 14th month, preliminary CAFR information. In 2005 Fund 1211 was budgeted as the "Rural Drainage Program." For 2006 fund was restructured to house the entire SWM program.

<sup>2</sup> Non SWM revenues assumed to increase 3.5%; SWM revenue assumed to increase by 1%, commensurate with increased number of parcels. CIP transfer is 30% of SWM revenues. Operating expenditures are assumed to increase 3.5% annually.

<sup>3</sup> The combined total of CIP PAYG (Pay as you go projects) and CIP Debt Service equal 30% of SWM fee revenues.

<sup>4</sup> Underexpenditures are 2% of operating expenditures.

<sup>5</sup> As part of the WLR financial restructure, Fund 1211 was converted to record costs from the local SWM program. Fund balance from SWM fees in Fund 1210 was transferred to Fund 1211 in 2006 as the last step of the restructuring process.

<sup>6</sup> In order to meet fund balance targets it will be necessary to make additional budget reductions in the out years.

<sup>7</sup> Minimum target fund balance is 5% of annual adopted SWM fees

## C O U N C I L A D O P T E D B U D G E T

**COLA Decrease – (\$24,233).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$24,233 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**River Improvement 1050/0740**

Code	Item Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>				
	<i>PE</i>			
	2006 Adopted	4,100,111	11.50	0.33
	Status Quo*	54,078	0.00	0.00
	<b>Status Quo Budget</b>	<b>4,154,189</b>	<b>11.50</b>	<b>0.33</b>
<b>Council Changes</b>				
CC39	Council COLA Adjustment	(2,709)	0.00	0.00
		<b>(2,709)</b>	<b>0.00</b>	<b>0.00</b>
<b>Flood Protection</b>				
PC01	Green River Floodplain Mapping	305,118	0.08	0.00
PC02	King County Flood Control District	37,906	0.50	0.00
RB01	Fenster 1A Levee Setback	801,541	0.00	0.00
RB02	Black River Pump Plant Maintenance	200,000	0.00	0.00
		<b>1,344,565</b>	<b>0.58</b>	<b>0.00</b>
<b>Technical Adjustment</b>				
DS01	Flood Hazard Mgmt Plan Adoption Reduction	(238,794)	(0.13)	0.00
TA01	Technical Adjustments	(164,768)	0.05	(0.33)
CR05	Current Expense Overhead Adjustment	1,675	0.00	0.00
CR06	Healthy Workplace Fund	4	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(96)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(1,026)	0.00	0.00
CR10	Office of Information Resource Management Charge	(71)	0.00	0.00
CR11	Telecommunications Services	(2,786)	0.00	0.00
CR12	Telecommunications Overhead	(1,100)	0.00	0.00
CR13	Motor Pool Usage Charge	2,914	0.00	0.00
CR16	Radio Access	(1,709)	0.00	0.00
CR17	Radio Maintenance	(666)	0.00	0.00
CR19	Radio Reserve Program	(211)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	27,949	0.00	0.00
CR21	Debt Service Adjustment	(11)	0.00	0.00
CR25	Financial Services Charge	(595)	0.00	0.00
CR28	Equipment Repair and Replacement	24,356	0.00	0.00
CR39	COLA Adjustment	2,808	0.00	0.00
		<b>(352,127)</b>	<b>(0.08)</b>	<b>(0.33)</b>
	<b>2007 Adopted Budget</b>	<b>5,143,918</b>	<b>12.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **WLRD – River Improvement Fund (RIF)**

The total 2007 Executive Proposed Budget for the River Improvement Fund is \$5,146,627 with 12.00 FTEs. RIF will undertake or expand three projects related to flood protection, which account for a 25 percent increase in the 2007 Executive Proposed Budget over the 2006 Adopted budget.

#### **Flood Protection**

Reducing flood hazards is a core business for RIF and the Executive's 2006 King County Flood Hazard Management Plan (FHMP) identified a need for increased resources dedicated to reducing the likelihood of flood and flood-related losses in King County.

**Green River Floodplain Mapping - \$305,118 and 0.08 FTE.** This proposal funds the second year of a three-year project to develop new technical floodplain data for 40 miles of the Green River. The new technical floodplain data will provide up-to-date information on flood hazards, which will guide future development and protect public safety.

**King County Flood Control Zone District (KCFCZD) - \$37,906 and 0.50 FTE.** The 2006 King County FHMP proposes and the King County Council has announced its intent to create a countywide flood control zone district to provide adequate flood control protection to the citizens of King County. This proposal increases an existing FTE position to provide staff services to coordinate with the various parties involved in the creation of the KCFCZD.

**Fenster 1A Levee Setback - \$801,541.** This proposal funds a project to rebuild the Fenster 1A Levee, which is currently unstable. The improvements include relocating the levee to set back locations, re-establishing old side channel connections, and stabilizing the riverbank against channel migration. Funding for the project comes from grants, the City of Auburn, and the Green River Flood Control Zone District.

**Black River Pump Plant Maintenance - \$200,000.** This proposal will carry out significant improvements to the diesel-powered pumps, diesel fuel storage and containment area, and the pump house at the Black River Pump Station to achieve compliance with federal, state, and local codes and regulations, and improve operations efficiency. The pump station is over 30 years old and is in need of significant repairs and upgrades. The Federal Emergency Management Administration-Local Program will provide funding to pay for the improvements.

#### **Technical Adjustments**

**Executive Proposed Flood Hazard Management Plan (FHMP) Adoption Reduction - (\$238,794) and (0.13) FTE.** This proposal reduces the staff and related resources previously dedicated to preparing the 2006 King County FHMP. The Executive Proposed FHMP has been transmitted to the King County Council and resources will be shifted toward accomplishing the projects and recommendations identified in the FHMP, pending Council approval.

**Technical Adjustment - (\$164,768) and 0.05 FTE and (0.33) TLT.** This technical adjustment eliminates a 0.33 FTE who had helped prepare the FHMP. Because the Plan has been completed, the position is no longer needed. It also reduces 0.08 FTE, which is reassigned to the Green River Floodplain Mapping project, and adds 0.13 FTE to make a position whole.

**Central Rates Adjustments – \$51,435.** Central rate adjustments include CX Overhead, Healthy Workplace Funding Initiative, ITS Infrastructure and O&M, OIRM, Telecommunications Services and Overhead, Finance, Motor Pool, Radio Charges, Equipment Repair and Replacement, PAO, Debt Service, and COLA.



## PHYSICAL ENVIRONMENT PROGRAM PLAN

### River Improvement Fund 105

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected	2009 Projected
<b>Beginning Fund Balance</b>	734,326	331,039	758,352	476,805	363,571	253,739
<b>Revenues</b>						
River Improvement Levy <sup>3</sup>	2,574,597	2,625,009	2,625,009	2,690,000	2,757,250	2,826,181
GRFCZD Support <sup>3 6</sup>	757,154	1,041,975	1,041,975	1,113,684	867,590	876,266
Other Revenue (Grants, Intragovernmental, Misc)	423,173	269,000	459,151	1,077,000		
<b>Total Revenues</b>	3,754,924	3,935,984	4,126,135	4,880,684	3,624,840	3,702,447
<b>Expenditures</b>						
Operating Expenditures <sup>4</sup>	(3,730,898)	(4,100,111)	(4,100,111)	(5,143,918)	(3,884,672)	(3,847,015)
Encumbrance Carryover			(457,571)			
<b>Total Expenditures</b>	(3,730,898)	(4,100,111)	(4,557,682)	(5,143,918)	(3,884,672)	(3,847,015)
<b>Estimated Underexpenditures</b>		150,000	150,000	150,000	150,000	150,000
<b>Other Fund Transactions</b>						
*						
*						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	758,352	316,912	476,805	363,571	253,739	259,171
<b>Reserves &amp; Designations</b>						
Reserve for Encumbrance Carryover	(457,571)					
*						
*						
<b>Total Reserves &amp; Designations</b>	(457,571)	0	0	0	0	0
<b>Ending Undesignated Fund Balance</b>	300,781	316,912	476,805	363,571	253,739	259,171
<b>Target Fund Balance <sup>5</sup></b>	<b>262,845</b>	<b>275,519</b>	<b>275,519</b>	<b>341,648</b>	<b>253,739</b>	<b>259,171</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR and 14th month ARMS report.

<sup>2</sup> 2006 Estimated is based on 2006 Adopted plus encumbrance carryovers.

<sup>3</sup> 2008 and 2009 Revenues are based on a 2.5% increase in RIF levy and 1% increase in GRFCZD levy. The 2006 and 2007 revenues are higher due to use of GRFCZD fund balance for major maintenance projects.

<sup>4</sup> Expenditures are adjusted to meet target fund balance.

<sup>5</sup> Target fund balance is 7% of adopted fund revenues.

<sup>6</sup> If the proposed King County Flood Control Zone District is approved by County Council, the GRFCZD will be eliminated in 2008. The financial plan shows status quo for the GRFCZD.

## C O U N C I L A D O P T E D B U D G E T

**COLA Decrease – (\$2,709).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$2,709 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Inter-County River Improvement 1820/0760**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	52,985	0.00	0.00
		Status Quo*	271	0.00	0.00
		<b>Status Quo Budget</b>	<b>53,256</b>	<b>0.00</b>	<b>0.00</b>
<b>Flood Protection</b>					
PC01		White River Flood Plain Mapping	48,817	0.00	0.00
			<b>48,817</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
CR25		Financial Services Charge	258	0.00	0.00
CR28		Equipment Repair and Replacement	464	0.00	0.00
			<b>722</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>102,795</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### WLRD – Inter-County River Improvement (ICRI)

The 2007 Executive Proposed Budget for the Inter-County River Improvement Fund is \$102,795 and 0 FTEs.

#### Technical Adjustments

**White River Floodplain Mapping - \$48,817.** This proposal is the first year of a two- to three-year project to develop a new Flood Insurance Study and corresponding floodplain maps for the White River. It supports recommendations made in the 2006 King County Flood Hazard Management Plan.

**Central Rate Adjustments - \$722.** Central rate adjustments include the Finance Services Charge and Equipment Repair and Replacement.

#### Inter-County River Improvement Fund 1820

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	119,845	45,420	63,298	63,418	13,338	10,156
<b>Revenues</b>						
Intercounty River Improvement Fund Levy	49,331	51,005	51,005	51,515	52,030	52,551
Other Revenues	3,795		2,100	1,200	1,000	1,000
*						
<b>Total Revenues</b>	53,126	51,005	53,105	52,715	53,030	53,551
<b>Expenditures</b>						
Expenditures	(109,673)	(52,985)	(52,985)	(102,795)	(56,212)	(57,898)
*						
*						
<b>Total Expenditures</b>	(109,673)	(52,985)	(52,985)	(102,795)	(56,212)	(57,898)
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
*						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	63,298	43,440	63,418	13,338	10,156	5,809
<b>Reserves &amp; Designations</b>						
*						
*						
*						
<b>Total Reserves &amp; Designations</b>	0	0	0	0	0	0
<b>Ending Undesignated Fund Balance</b>	63,298	43,440	63,418	13,338	10,156	5,809
<b>Target Fund Balance <sup>4</sup></b>	N/A	N/A	N/A	N/A	N/A	N/A

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR.

<sup>2</sup> 2006 Estimated is based on no change from adopted except for interest earnings.

<sup>3</sup> 2008 and 2009 Projected are based on 1% increase in revenue and 3% increase in expenditures from 2006 baseline.

<sup>4</sup> No target fund balance is established for fund 182.

### C O U N C I L   A D O P T E D   B U D G E T

*Council made no changes to the 2007 Executive Proposed Budget.*

**PHYSICAL ENVIRONMENT PROGRAM PLAN****Noxious Weed Control Program 1311/0384**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	1,264,459	11.36	0.00
		Status Quo*	53,569	0.00	0.00
		<b>Status Quo Budget</b>	<b>1,318,028</b>	<b>11.36</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(1,489)	0.00	0.00
			<b>(1,489)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Technical Adjustments	880	0.00	0.00
CR05		Current Expense Overhead Adjustment	1,304	0.00	0.00
CR08		Technology Services Infrastructure Charge	(184)	0.00	0.00
CR10		Office of Information Resource Management Charge	18	0.00	0.00
CR13		Motor Pool Usage Charge	6,610	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	3,219	0.00	0.00
CR25		Financial Services Charge	2,777	0.00	0.00
CR28		Equipment Repair and Replacement	(24,628)	0.00	0.00
CR29		Wastewater Vehicles	(1,385)	0.00	0.00
CR39		COLA Adjustment	1,470	0.00	0.00
			<b>(9,919)</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>1,306,620</b>	<b>11.36</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### WLRD – Noxious Weed Control Program

The 2007 Executive Proposed Budget for the Noxious Weed Control Program is \$1,308,109 with 11.36 FTEs. Due to sound financial management practices WLRD's Noxious Weed Control Program was able to delay a proposed fee increase until 2007. The last Noxious Weed Fee increase was in 2002. The Executive Proposed Budget assumes that the Noxious Weed Fee will increase 30% from \$1.50 to \$1.95 per parcel in 2007. The increase will generate \$287,000 in new revenue annually and will allow the program to sustain its existing services.

#### Technical Adjustments

**Technical Adjustments - \$880.** These are technical adjustments to a variety of accounts.

**Central Rate Adjustments – (\$10,799).** Central rate adjustments include CX Overhead, Finance, Equipment Repair and Replacement, PAO, OIRM, Wastewater Vehicles, Motor Pool, ITS Infrastructure, and COLA.

#### Noxious Weed Control Fund 1311

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	310,052	317,891	306,572	178,490	171,596	(66,860)
<b>Revenues</b>						
Noxious Weed Fee <sup>4</sup>	954,872	992,000	1,041,560	1,051,976	1,062,495	1,073,120
1999-2004 Tax-exempt accounts <sup>5</sup>				150,000		
Interest Income	9,007	5,666	8,000	8,750	7,000	7,000
Other Income - US Fish & Wildlife grant	47,968	25,000	25,000	25,000	0	0
Other Income - Misc	16,038		2,635			
<b>Total Revenues</b>	1,027,885	1,022,666	1,077,195	1,235,726	1,069,495	1,080,120
<b>Expenditures</b>						
Operating Expenditures	(1,031,365)	(1,264,459)	(1,264,459)	(1,306,620)	(1,371,951)	(1,440,549)
Encumbrance Carryover			(4,818)			
<b>Total Expenditures</b>	(1,031,365)	(1,264,459)	(1,269,277)	(1,306,620)	(1,371,951)	(1,440,549)
<b>Estimated Underexpenditures</b>		0	64,000	64,000	64,000	64,000
<b>Other Fund Transactions</b>						
<b>Total Other Fund Transactions</b>	0	0	0	0	0	0
<b>Ending Fund Balance</b>	306,572	76,098	178,490	171,596	(66,860)	(363,288)
<b>Reserves &amp; Designations</b>						
Reserve for Encumbrance Carryover	(4,818)					
<b>Total Reserves &amp; Designations</b>	(4818)	0	0	0	0	0
<b>Ending Undesignated Fund Balance</b>	301,754	76,098	178,490	171,596	(66,860)	(363,288)
<b>Target Fund Balance <sup>6</sup></b>	<b>95,487</b>	<b>95,973</b>	<b>99,200</b>	<b>105,198</b>	<b>106,250</b>	<b>107,312</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR.

<sup>2</sup> 2006 Estimated is based on actual Noxious Weed Fee levy collections through June 2006.

<sup>3</sup> 2008 and 2009 Projected are based on 5% increase in expenditures and 1% increase in revenues annually.

<sup>4</sup> Noxious Weed Fee increased at 1% annually to reflect new parcel growth.

<sup>5</sup> One-time correction of billing error.

<sup>6</sup> Target fund balance is based on 10% of Noxious Weed fee revenue.

### C O U N C I L   A D O P T E D   B U D G E T

**COLA Decrease – (\$1,489).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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*for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$1,489 in the 2007 budget.*

# **Transportation**

**[Link to Department of Transportation Organizational Chart](#)**



## TRANSPORTATION

### **Mission Transportation**

To improve the quality of life for the citizens of King County by providing mobility in a way that protects the environment, helps to manage growth and reduces traffic congestion.

### **ISSUES AND PRIORITIES**

The King County Department of Transportation's (DOT) 2007 Executive Proposed Budget reflects a continuing need to address the transportation priorities of King County efficiently and economically within funding constraints. This has required prudent financial management on the part of all DOT divisions in order to preserve services to the community.

For 2007, the Roads Services Division is emphasizing strategies to preserve and enhance existing road capacity, while continuing to face revenue constraints. The King County International Airport continues to maintain basic operations in the face of constrained revenues. The Transit Division will offer a small expansion in bus service to the eastern and southern parts of King County, but also struggles to absorb the costs of the recent unprecedented increases in the price of diesel fuel and gasoline.

**The Director's Office** will continue to provide leadership, advocacy and support for the Department, its customers and the community. The DOT Director's Office in 2007 will work to achieve alignment with the county's reorganization of technology staff and to implement strategies to reduce costs.

**The Transit Division** expects to see continued increases in ridership in 2007. With the economic recovery and the increased cost of gasoline, boardings on Metro Transit grew by 2.5 percent in 2005 after several years of declines or no growth. Given current economic assumptions, Transit expects to see continued gains in ridership as a result of regional employment growth and increasing gasoline prices. Transit forecasts ridership growth of 6.6 percent in 2006 and 1.8 percent in 2007.

Transit continues to look for ways to add and sustain increased service levels. In 2007, despite the impact of increasing costs, particularly for diesel fuel, Transit has been able to fund 20,000 more bus hours than was provided in 2006. This is made possible, in part, by identifying non-service related expenditure reductions totaling \$4.3 million.

The implementation of the new hours will be consistent with the policies adopted in the Six-Year Service Plan (2002-2007). However, Transit is not expecting to reach the service levels noted in the Six-Year Service Plan until 2015. This is largely due to the long-term effects of the post September 11, 2001 recession and current price increases associated with items like diesel fuel and benefit costs. Diesel fuel costs for 2007 are anticipated to increase 10 percent over 2006 levels. Since 2001, diesel prices have more than tripled.

Transit expects the cost of diesel fuel will continue to increase in the near term, rising to an average \$2.40 per gallon in 2007. Gasoline prices are also expected to average \$2.40 per gallon. In addition, rising worker's compensation, health care, and retirement costs have resulted in increases that outpace inflation. Transit has taken steps to contain costs that are within its control in an effort to delay the time when a fare increase is required to sustain existing service levels. The current fare structure has remained unchanged since 2001. Because fare revenue has not kept pace with costs, Transit continues to experience a decline in the ratio of operating revenue to operating expenses. In 2007, a 20.4 percent revenue to expenses ratio is anticipated, well below the established target of 25 percent.

**The Road Services Division** strives to increase mobility through arterial networks, bridge rehabilitation, and corridor system improvements, while ensuring the preservation of the existing transportation system.

The 2007 Executive Proposed Budget for the Road Services Division focuses on the core businesses

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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of protecting the current road infrastructure, improving traffic and arterial use efficiencies, and focusing on environmental initiatives. Due to efficiencies in its roads overlay program, the Roads Services Division will increase its overlay pavement program by six centerline miles in 2007. The 2007 Executive Proposed Budget also invests resources to allow the Roads Services Division to comply with new federal permit requirements for increased water quality monitoring and reporting.

In addition, the Road Services Division continues to respond to the pressures of annexation by identifying expenditure savings due to the anticipated annexation of East Renton by the City of Renton. In preparation for this annexation, the Roads Services Division will sell a portion of its Renton Maintenance Facility to fund improvements in Renton's Potential Annexation Areas.

**The King County International Airport (KCIA)** supports the economic vitality of the county, the National Air Transportation System, and provides safe and continuous general aviation airport services.

The 2007 Executive Proposed Budget for the King County International Airport (KCIA) 2007 assumes that operations in 2007 will remain essentially the same as for 2006. The budget does not include any redevelopment proposals or major changes in operating structure. With runway work completed in 2006, the Airport expects landing fee revenues to rebound in 2007. The proposed adjustments to the budget emphasize infrastructure management, maintenance of airport systems, and improved service.

**Fleet Administration** will continue to provide quality and responsive vehicle services, parts, road materials, and supplies at competitive cost to customers.

As its customers contend with change dynamics in the form of financial resource limitations, Fleet Administration continues to assist in the management of fleet costs. In 2007, Fleet is challenged to minimize the customer rate impact amidst rising fuel costs and an increase in debt service and building maintenance charges resulting from the Motor Pool Shop and Personal Property Surplus move to the Orcas Street location.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## DOT Director's Office 4640/5010M

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	5,156,736	33.00	3.00
		Status Quo*	355,926	0.00	0.00
		<b>Status Quo Budget</b>	<b>5,512,662</b>	<b>33.00</b>	<b>3.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(8,719)	0.00	0.00
			<b>(8,719)</b>	<b>0.00</b>	<b>0.00</b>
<b>County Policy Direction</b>					
RB01		ITS System Delivery Manager Position	135,944	1.00	0.00
			<b>135,944</b>	<b>1.00</b>	<b>0.00</b>
<b>Financial Management</b>					
AS01		TOD Position Funding	0	(1.00)	0.00
			<b>0</b>	<b>(1.00)</b>	<b>0.00</b>
<b>Revenue Increases</b>					
TA10		Revenue Adjustment	0	0.00	0.00
			<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA01		Various account reductions	(18,168)	0.00	0.00
CR05		Current Expense Overhead Adjustment	943	0.00	0.00
CR06		Healthy Workplace Fund	25	0.00	0.00
CR08		Technology Services Infrastructure Charge	133,494	0.00	0.00
CR09		Geographic Information Systems Charge	248	0.00	0.00
CR10		Office of Information Resource Management Charge	207	0.00	0.00
CR13		Motor Pool Usage Charge	6,670	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	(83,277)	0.00	0.00
CR22		Long Term Leases	(5,416)	0.00	0.00
CR36		Property Services Lease Administration Fee	(104)	0.00	0.00
CR39		COLA Adjustment	23,758	0.00	0.00
CR40		Merit Adjustment	(65,691)	0.00	0.00
CR46		Countywide Strategic Technology Projects	256,126	0.00	0.00
			<b>248,815</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>5,888,702</b>	<b>33.00</b>	<b>3.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

### Proviso(s):

#### PROVISO:

Of this appropriation, \$400,000 may not be expended or encumbered until the department has transmitted to the council, for approval by motion, an alternatives analysis report for construction of a pedestrian facility along the north side of Issaquah-FallCity Road from Issaquah Pine Lake Road to the Pacific Cascade Freshman Campus School. The alternatives analysis report shall include scope, schedule and itemized engineer's estimate information for no less than four project alternatives including construction of a sidewalk. The alternatives analysis report shall also include identification of potential funding sources for the pedestrian facility project.

The alternatives analysis report and motion is due on February 28, 2007, and must be filed in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the transportation committee, or its successor.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

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### PROGRAM HIGHLIGHTS

#### Director's Office

The DOT Director's Office will continue in 2007 to provide Department-wide leadership, advocacy, and support for all DOT divisions. The DOT Director's Office in 2007 will work to achieve alignment with the county's reorganization of technology staff and to implement strategies to reduce costs.

#### County Policy Direction

To support the county policy in the reorganization of technology staff, the DOT Director's office has recommended the addition of the following position:

**ITS Service Delivery Manager Position – \$135,944 and 1.00 FTE.** The addition of this position supports the county's reorganization of technology staff and designates a point of contact within DOT for the new office of technology. This increase is offset through the elimination of an IT Special Projects Manager in the Transit Division.

#### Financial Management

To accommodate cost increases associated with internal county services and the rising costs of providing services, the Director's Office commits to implementing strategies to manage costs and ensure revenues meet demand for services and systems.

**Various Account Reductions -- (\$18,168).** This proposed budget adjustment supports DOT's business plan goal to reduce costs in 2007. These one-time reductions absorb some of the cost impacts from the ITS Service Delivery Manager position and the IT Business Continuity Program. Reductions are from various accounts including office supplies, other contract/ professional services, and printing and graphic arts.

**Transit Oriented Development (TOD) Position -- \$0 and (1.00) FTE.** This reduces staffing for the TOD program by eliminating a vacant position. Even with the elimination of this position, DOT will be able to sustain the TOD program at current levels in 2007.

#### Technical Adjustments

**Central Rate Adjustments -- \$266,983.** Central rate adjustments include: OIRM, ITS Infrastructure, CX Overhead, GIS O&M, Long Term Leases and Lease Administration Fee, COLA, Merit, Financial Services, Healthy Workplace Fund, Prosecuting Attorney, and Motor Pool.

### C O U N C I L   A D O P T E D   B U D G E T

**COLA Decrease – (\$8,719).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$8,719 in the 2007 budget.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Transit 4640/5000M

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	467,000,945	3,775.10	69.58
		Status Quo*	28,806,469	55.40	0.00
		<b>Status Quo Budget</b>	<b>495,807,414</b>	<b>3,830.50</b>	<b>69.58</b>
<b>Attract, retain qualified, productive workforce</b>					
RB31		Physical Capacity Examinations	15,000	0.00	0.00
RB32		Transit Training and Development	72,300	0.00	0.00
RB33		Supervisor-in-Training	390,090	5.00	0.00
			<b>477,390</b>	<b>5.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC25		Revenue Adjustment	0	0.00	0.00
CC39		Council COLA Adjustment	(319,028)	0.00	0.00
			<b>(319,028)</b>	<b>0.00</b>	<b>0.00</b>
<b>Financial Challenges</b>					
RB11		Reduction of Transit Security Guards	(89,152)	0.00	0.00
RB12		Research & Mgmt Info Reductions	(385,970)	(1.85)	0.00
RB13		General Manager's Office - Non-labor Services	(60,500)	0.00	0.00
RB14		Transit HR - Reclasses & Eliminations	(76,994)	0.00	(1.00)
RB15		Operations Staffing Changes	(102,317)	(1.25)	0.00
RB16		Public Safety Partnership	(147,237)	(2.00)	0.00
RB17		Diesel Fuel Contract	(190,000)	0.00	0.00
RB18		Power & Facilities Reductions	(401,997)	(3.00)	0.00
RB19		Service Development Reductions	(236,484)	(1.55)	0.00
RB22		IT Reductions - Staff and Other	(286,355)	(2.50)	0.00
RB23		Sales & Customer Services Reductions	(600,080)	(2.50)	0.00
RB24		Pro Heat Changes	(442,000)	0.00	0.00
RB25		Component Rebuild Reduction	(358,308)	(1.50)	0.00
RB26		Vehicle Maintenance Operating Efficiency Changes	(48,875)	0.00	0.00
RB34		Aftermarket Warranty Recovery	(175,000)	1.00	0.00
			<b>(3,601,269)</b>	<b>(15.15)</b>	<b>(1.00)</b>
<b>Growing Vanpool Ridership</b>					
RB03		Vanpool Service	230,376	0.00	0.00
RB20		Vanpool Administration Reduction	(71,197)	(1.17)	0.00
			<b>159,179</b>	<b>(1.17)</b>	<b>0.00</b>
<b>Increase Bus Ridership/Services</b>					
RB01		Bus Service	135,303	(7.80)	0.00
			<b>135,303</b>	<b>(7.80)</b>	<b>0.00</b>
<b>Link Light Rail and Streetcar Operations Start-up</b>					
RB04		Link Start Up & South Lake Union Streetcar	447,780	1.64	0.00
			<b>447,780</b>	<b>1.64</b>	<b>0.00</b>
<b>Maintain Infrastructure</b>					
RB05		Tunnel Reopening, June 2007	2,004,493	15.15	0.00
RB35		Security Systems & Equipment Maintenance/Repairs	157,842	1.75	0.00
RB36		New Facilities	174,345	2.00	0.00
			<b>2,336,680</b>	<b>18.90</b>	<b>0.00</b>

**PHYSICAL ENVIRONMENT PROGRAM PLAN****Transit 4640/5000M****Managing the Cost of Access**

RB02	ACCESS Services	3,980,023	0.00	0.00
RB21	ACCESS Reductions	(303,000)	0.00	0.00
		<b>3,677,023</b>	<b>0.00</b>	<b>0.00</b>

**No Change Dynamic**

RB08	CIP Changes	(295,766)	3.08	(3.28)
TA21	Technical Adjustments	2,204,464	(2.25)	0.00
TA22	Revenue-backed Services	237,013	1.00	0.00
TA23	Revenue Adjustments	0	0.00	0.00
		<b>2,145,711</b>	<b>1.83</b>	<b>(3.28)</b>

**State and Federal Funding**

RB10	Operating Grants Technical Adjustments	1,055,573	(1.00)	(2.00)
		<b>1,055,573</b>	<b>(1.00)</b>	<b>(2.00)</b>

**Technical Adjustment**

CR01	Flexible Benefits	89,542	0.00	0.00
CR05	Current Expense Overhead Adjustment	859,064	0.00	0.00
CR06	Healthy Workplace Fund	1,284	0.00	0.00
CR07	Technology Services Operations & Maintenance Charge	(79,476)	0.00	0.00
CR08	Technology Services Infrastructure Charge	(133,371)	0.00	0.00
CR09	Geographic Information Systems Charge	8,993	0.00	0.00
CR10	Office of Information Resource Management Charge	17,116	0.00	0.00
CR11	Telecommunications Services	(45,060)	0.00	0.00
CR12	Telecommunications Overhead	(3,733)	0.00	0.00
CR13	Motor Pool Usage Charge	(4,000)	0.00	0.00
CR14	Facilities Management Space Charge	(15,705)	0.00	0.00
CR15	Insurance Charges	(1,581,098)	0.00	0.00
CR16	Radio Access	5,122	0.00	0.00
CR17	Radio Maintenance	2,268	0.00	0.00
CR19	Radio Reserve Program	(5,834)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	99,960	0.00	0.00
CR22	Long Term Leases	(210,262)	0.00	0.00
CR25	Financial Services Charge	70,125	0.00	0.00
CR27	Industrial Insurance Rate Adj.	(20,880)	0.00	0.00
CR33	Limited Tax General Obligation Debt Insurance	(8,481)	0.00	0.00
CR36	Property Services Lease Administration Fee	(2,690)	0.00	0.00
CR39	COLA Adjustment	145,557	0.00	0.00
		<b>(811,559)</b>	<b>0.00</b>	<b>0.00</b>

**2007 Adopted Budget****501,510,197 3,832.75 63.30**

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**Proviso(s):****PROVISO:**

The transit division shall not enter into, or authorize its contractor to enter into, any new agreements, or extend any such existing agreements, for exterior bus advertising that involve covering any portion of a bus side window.

### Transit Division

The 2007 Executive Proposed Budget for the Transit Division includes \$4.3 million in non-service-related reductions in response to funding constraints, increases of \$11.1 million, and central rate reductions of \$800,000. The \$11.1 million increase includes a modest increase in new bus service, service changes in the Access and Vanpool programs, an anticipated June 2007 reopening of the Downtown Seattle Transit Tunnel, and continued start-up activities for Link Light Rail and the South Lake Union Streetcar.

### Transit Operating

#### Expanded Delivery Service

The King County Metro Transit Division, one of the ten largest transit systems in the country, provides bus, paratransit, and vanpool services throughout King County. Transit continues to implement strategies to manage costs and ensure revenues to meet growing demand for services and systems.

**Bus Service - \$135,303 and (7.80) FTEs.** In 2007, Transit will provide service for 3.8 million hours and 48.6 million miles. This proposal includes a net reduction of 15,907 **annual bus service hours** resulting from a reduction of 37,700 annual hours of service due to the reopening of the tunnel, an increase of 13,000 hours of annual service, and an increase of 7,000 hours of annual maintenance. The overall impact on **budgeted service hours** for 2007 as a result of these changes is a reduction of 18,002 bus hours and an increase of 2,805 Dial A Ride Transit (DART) hours. Also reflected are the increased costs of service on the articulated fleet and increased Operator overtime. The net reduction of 7.80 FTEs includes an increase of 2.69 Mechanics and a reduction of 10.49 Operators.

**Access Services - \$3,980,023.** This proposal will allow Access to maintain the paratransit program at the service level described in the Americans with Disabilities Act (ADA) plan. It will fund a total of 648,843 vehicle service hours of paratransit service in 2007, a 1.6 percent increase over 2006, supporting 1.16 million rides – 2.7percent over 2006 projected rides. 2007 productivity is projected at 1.78 rides per service vehicle hour. The increase in ridership, contract costs, and fuel costs contribute to the projected increase in Access costs for 2007; and due to the anticipated increase in ridership, there will be an increase in fare revenue.

**Vanpool Service - \$230,376.** This proposal funds an increase in vanpool and vanshare service. Vanpool projections for 2007 are 516 new annual daily riders and 36 new vanpool groups. Vanshare projections are 179 new annual daily riders and 24 new vanshare groups. By the end of 2007, 1,032 vans are expected to be operating. This level of service represents over 7,700 annual daily riders. This proposal includes adjustments due to higher gasoline, maintenance, and insurance costs, as well as costs of maintaining 2006 levels of service and the costs associated with the increased levels of service in 2007. Fares will increase 6 percent in 2007 to keep pace with increased costs. Vanpool fares recover 100 percent of all direct vanpool operating costs and capital costs of the program, as well as 25 percent of administrative costs.

**Link Start-Up and South Lake Union Streetcar - \$447,780 and 1.64 FTEs.** This proposal provides funding to continue efforts associated with the start-up of Central Link Light Rail operations under contract with Sound Transit. Costs are 100 percent reimbursable by Sound Transit. It also includes start-up and operating costs for the South Lake Union Streetcar. The City of Seattle will reimburse Transit for this expense.

#### Maintain Infrastructure

Pursuant to adopted financial policies, Transit is to maintain a multi-year planning process that provides for the capital replacement and expansion needs of existing and planned service.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Tunnel Reopening, June 2007 - \$2,004,493 and 15.15 FTEs.** This proposal provides funding and staff to reopen the Downtown Seattle Transit Tunnel on June 1, 2007.

**Security Systems and Equipment Maintenance Repair - \$157,842 and 1.75 FTEs.** Additional Radio Specialists (1.75 FTEs) and additional supplies and services are needed to maintain and repair new Transit security systems and equipment installed in parking garages, bases, and park-and-ride lots. This proposal includes funding to maintain and repair 279 devices currently installed, as well as another 300 devices scheduled for installation in 2007 as part of an ongoing security plan.

**New Facilities - \$174,345 and 2.00 FTEs.** Several new Transit buildings have opened up in the SODO district since 2005, and several more will open in 2007, primarily as a result of the Central/Atlantic base expansion project. This proposal includes maintenance and custodial services required for these facilities.

### **External Mandates**

Support from the state and federal governments continue to be an integral part of the funding picture for the DOT.

**Operating Grants Technical Adjustments - \$1,055,573, (1.00) FTE and (2.00) TLTs.** This proposal adjusts operating grants to reflect anticipated federal and state grant support for 2007. Operating grant activity for the 2007 to 2009 biennium is projected at \$4.62 million, with the most significant increase resulting in Low Income Car Sharing grant pass-through expenditures of \$2.5 million.

### **Financial Challenges**

The near-term outlook for Transit's finances continues to be challenging. Transit has taken steps to contain costs and has targeted non-service related functions for efficiencies and reductions.

**Reduction of Transit Security Guards - (\$89,512).** Transit currently contracts with a private security service to monitor the Component Supply Center and Bellevue Base. Beginning in 2007, security will be monitored at a lower cost with newly installed cameras and through re-keyed doors.

**Research and Management Information Reductions - (\$385,970) and (1.85) FTEs.** Staffing and costs in the Research and Management Information Group have been reduced, including the elimination of 0.85 Project Manager I and 1 Project Manager II, and scheduling Rider/Non-Rider surveys every three years rather than every year.

**General Manager's Office – Non-Labor Services - (\$60,500).** The General Manager's Office is reducing its budget in miscellaneous accounts by \$60,500.

**Transit Human Resources – Reclasses and Eliminations - (\$76,994) and (1.00) TLT.** A review of the changing work requirements in the Human Resources Section results in the reclassification of two vacant positions and the elimination of 1 TLT.

**Operations Staffing Changes - (\$102,317) and (1.25) FTEs.** This proposal eliminates the position loaned to the Combined Charities Campaign and, after the current Base Operations Support System has been replaced, eliminates a 0.25 FTE systems support position.

**Public Safety Partnership - (\$147,237) and (2.00) FTEs.** This proposal removes funding for two Transit Operators from the Public Safety Partnership (PSP) program, which serve as a communications vehicle to the community regarding Transit Safety. Transit Security Officers will provide the same type of information to the community.



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Diesel Fuel Contract - (\$190,000).** The current diesel fuel contract does not provide a discount for prompt payment of fuel costs. A change to the State of Washington contract will allow Transit to take advantage of a prompt payment discount.

**Power and Facilities Reductions - (\$401,997) and (3.00) FTEs.** This proposal eliminates three positions (a Custodian, Carpenter, and Utility Laborer), reduces lease expense, reduces materials and services expenses, reduces the shelter glass budget, and increases in reimbursable work.

**Service Development Reductions - (\$236,484) and (1.55) FTEs.** Reductions to the Service Development Section include elimination of 1.55 FTE Transportation Planner positions, various supplies and services accounts, and park and ride lease expenses.

**Vanpool Administration Reduction - (\$71,197) and (1.17) FTEs.** Vanpool Administration staffing costs have been adjusted by reducing a Rideshare Services Representative position to 0.75 FTE due to improvements in automated revenue processing and reconciliation, and eliminating a vacant Administrative Specialist position.

**Access Reductions - (\$303,000).** This proposal reflects lower than anticipated costs for the eligibility assessment and bus travel training contracts in 2007, and reductions in postage and printing costs.

**IT Reductions – Staff and Other - (\$286,355) and (2.50) FTEs.** This proposal eliminates two LAN Administrator positions, with the loss mitigated through the division-wide LAN Administration consolidation; reduces a Special Projects Manager position to offset the creation of the IT Service Delivery Manager position in the DOT Director's Office; and moves ITS support associated with the smart card project to the capital budget.

**Sales and Customer Services Reductions - (\$600,080) and (2.50) FTEs.** This proposal includes eliminating two Employer Outreach Product Sales and Information Production positions; reducing two Customer Services positions; reducing materials, services, and supplies; reducing overtime in the Rider Information Office; and reducing printed timetables and other materials. Increased utilization of web-based services will mitigate the impact of these reductions to Transit users.

**Pro Heat Changes - (\$442,000).** Improved fuel efficiency on the New Flyer Low Floor coaches will result from modifications to the Pro Heat System, which will reduce operation of the oil-fired supplemental water heater from year-round to only seven months.

**Component Rebuild Reduction - (\$358,308) and (1.50) FTEs.** This proposal reduces the number of mid-life rebuilds of lifts on coaches from 144 to 90 per year and eliminates 1.5 Mechanics. Repairs will continue as required to keep lifts working during the course of normal usage. The impact of this reduction is mitigated in part as newer vehicles have employed ramps rather than lifts.

**Vehicle Maintenance Operating Efficiency Changes - (\$48,875).** Transit will realize savings in its vehicle maintenance operations due to minor changes in workflow and reducing the second shift at the Component Supply Center.

**Aftermarket Warranty Recovery - (\$175,000) and 1.00 FTE.** Transit will add a Fiscal Specialist who will be responsible for coordinating the collection and return of faulty warranted parts for credit from suppliers, thereby generating savings on supply parts purchases. Additional savings are anticipated as more firms offer extended warranties on aftermarket parts.

### **Attract, Develop, Retain Qualified Workforce**

An aging workforce presents a significant challenge to the Transit system. Transit is emphasizing

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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workforce development and succession planning in order to sustain its operations.

**Physical Capacity Examinations - \$15,000.** Transit has been experiencing increased Worker's Compensation costs. A Worker's Compensation Task Force identified physical capacity examinations as a business practice to help reduce injuries and time loss associated with Worker's Compensation. Examinations will be conducted before employment for the four job classifications with the largest worker's compensation experience. These examinations should reduce the number of future claims.

**Transit Training and Development - \$72,300.** This proposal addresses turnover of the aging workforce and preparation for new Transit supervisors and managers. Transit's Succession Planning Committee is concerned that with increased turnover from retirements comes the loss of institutional knowledge. This committee has identified a need for industry-specific training designed to prepare and train new management candidates.

**Supervisor-in-Training - \$390,090 and 5.00 FTEs.** Based on projected retirements and promotions, and the likelihood that staff will move to the new South Lake Union Streetcar and Central Link, the current level of first line supervisors will be insufficient to maintain optimal staffing levels. This proposal adds five positions to the Supervisor-in-Training program for 2007 and 2008.

### **Technical Adjustments**

**CIP Changes - (\$295,766), 3.08 FTEs and (3.28) TLTs.** Capital program staffing was adjusted to reflect the work projected to occur in 2007. Three TLTs supporting shelter refurbishing were shifted to FTEs to comply with a bargaining agreement. The remaining staffing adjustments are related to shifting workloads and the Tunnel reopening.

**Technical Adjustments - \$2,204,464 and (2.25) FTEs.** This proposal includes various technical adjustments throughout the division: reversing the change to the Community Work Program (CWP) while the Tunnel is closed; a 2 cent per gallon increase in diesel and gasoline, increasing the cost per gallon for both up from \$2.38 up to \$2.40; a revised B&O tax estimate; and a revised estimate for Metro Transit Security costs. The proposal now reflects a June 2007 Tunnel reopening and includes \$6,109,976 for Metro Transit Security.

**Revenue-backed Services - \$237,013 and 1.00 FTE.** Because the Commute Trip Reduction (CTR) program anticipates an increase in contracts it will support in 2007, additional funding of \$123,013 and a Project Manager has been proposed. Additional funding of \$114,000 is proposed for the Home Free Guarantee (HFG) program due to increasing costs.

**Central Rates – (\$811,559).** Central rate adjustments were made for Flexible Benefits, Current Expense Overhead, Healthy Workplace Funding, Technology Services Infrastructure, Geographic Information Services, Office of Information Resource Management, Telecommunications Services, Telecommunications Overhead, Motor Pool Usage, Insurance, Radio Reserve Program, Prosecuting Attorney Civil Division, Long-term Leases, Financial Services, Financial Management Services Rebate, Equipment Repair and Replacement, Wastewater Vehicles, Property Services Lease Administrative Fee, COLA, and Merit.

### ***C O U N C I L   A D O P T E D   B U D G E T***

**COLA Decrease – (\$319,028).** *Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this*

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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*represents a reduction of \$319,028 in the 2007 budget.*

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Transit Revenue Vehicle Replacement 4647/5002M**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i><b>PE</b></i>			
		2006 Adopted	2,837,421	0.00	0.00
		Status Quo*	0	0.00	0.00
		<b>Status Quo Budget</b>	<b>2,837,421</b>	<b>0.00</b>	<b>0.00</b>
<b>No Change Dynamic</b>					
TA01		Technical Adjustments	3,619,446	0.00	0.00
			<b>3,619,446</b>	<b>0.00</b>	<b>0.00</b>
		<b>2007 Adopted Budget</b>	<b>6,456,867</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Transit Revenue Fleet Replacement**

#### **Technical Adjustments**

**Technical Adjustments - \$3,619,446.** The transfer from the Revenue Fleet Replacement Fund (RFRF) to Capital will increase from \$2.837 million in 2006 to \$6.457 million in 2007, for the replacement of revenue vehicles.

#### ***C O U N C I L   A D O P T E D   B U D G E T***

*Council made no changes to the 2007 Executive Proposed Budget.*

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Public Transportation Enterprise Fund

(\$ in 000)	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>177,874</b>	<b>211,667</b>	<b>187,926</b>	<b>216,621</b>	<b>219,095</b>	<b>263,080</b>
<b>Revenues</b>						
Fares	72,150	71,066	73,013	73,471	86,461	89,676
Other Operations Revenue	12,516	11,687	13,524	14,350	14,935	17,426
Sales Tax	335,521	355,755	361,457	382,602	405,482	428,838
Interest Income	5,969	6,779	7,898	9,330	10,764	12,915
Capital Grants	80,565	49,985	47,730	90,212	71,346	65,303
Payments from ST; Roads, Fleet, Airport	30,636	39,475	41,108	43,143	46,780	49,067
Sound Transit Payments-Capital	5,022	10,464	10,464	9,979	2,015	2,986
Miscellaneous	15,405	24,841	19,651	43,796	36,817	29,353
<b>Total Revenues</b>	<b>557,784</b>	<b>570,051</b>	<b>574,846</b>	<b>666,884</b>	<b>674,602</b>	<b>695,563</b>
<b>Expenditures</b>						
Transit Division	(428,034)	(467,001)	(468,101)	(501,510)	(523,496)	(545,823)
Transportation Admin Division	(4,671)	(5,157)	(5,157)	(5,889)	(6,054)	(6,223)
Capital	(69,950)	(134,545)	(74,090)	(157,019)	(114,203)	(88,729)
Cross Border Lease (Gillig Coaches)	(9,815)					
Debt Service	(15,135)	(15,133)	(15,133)	(15,132)	(16,194)	(16,688)
<b>Total Expenditures</b>	<b>(527,605)</b>	<b>(621,836)</b>	<b>(562,481)</b>	<b>(679,550)</b>	<b>(659,946)</b>	<b>(657,464)</b>
<b>Estimated Underexpenditures</b>						
Operating Program		4,722	4,733	5,074	5,295	5,520
Capital Program		9,370	9,917	8,526	1,737	(3,565)
<b>Total Estimated Underexpenditures</b>	<b>0</b>	<b>14,091</b>	<b>14,649</b>	<b>13,600</b>	<b>7,033</b>	<b>1,955</b>
<b>Other Fund Transactions</b>						
Long Term Debt (Bonds)					21,500	
Misc Balance Adjustments	(20,127)	1,160	1,681	1,539	797	811
<b>Total Other Fund Transactions</b>	<b>(20,127)</b>	<b>1,160</b>	<b>1,681</b>	<b>1,539</b>	<b>22,297</b>	<b>811</b>
<b>Ending Fund Balance</b>	<b>187,926</b>	<b>175,133</b>	<b>216,621</b>	<b>219,095</b>	<b>263,080</b>	<b>303,946</b>
<b>Reserves &amp; Designations</b>						
30 Day Operating Reserve	31,087	38,800	38,900	41,700	43,442	45,263
Fare Stabilization & Operating Enhancement Reserve		3,566	6,773	38		
Revenue Fleet Replacement Fund	71,219	99,391	99,968	146,995	199,271	252,084
<b>Total Reserves &amp; Designations</b>	<b>102,305</b>	<b>141,757</b>	<b>145,640</b>	<b>188,733</b>	<b>242,713</b>	<b>297,347</b>
<b>Ending Undesignated Fund Balance</b>	<b>85,620</b>	<b>33,376</b>	<b>70,981</b>	<b>30,362</b>	<b>20,367</b>	<b>6,599</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>116,046</b>	<b>138,202</b>	<b>138,869</b>	<b>188,703</b>	<b>242,800</b>	<b>297,462</b>

### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 13th month.

<sup>2</sup> 2006 Estimated is updated based on 2005 Actuals.

<sup>3</sup> 2008-2009 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Public Transportation Fund - Operating Sub-Fund

(\$ in 000)	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>25,170</b>	<b>38,297</b>	<b>31,087</b>	<b>45,673</b>	<b>41,738</b>	<b>43,442</b>
<b>Revenues</b>						
Fares	72,150	71,066	73,013	73,471	86,461	89,676
Other Operations Revenue	12,516	11,687	13,524	14,350	14,935	17,426
Sales Tax	251,641	266,816	271,093	286,952	304,112	321,628
Payments from ST; Roads, Fleet, Airport	30,636	39,475	41,108	43,143	46,780	49,067
Interest	628	1,205	1,205	1,967	1,986	2,068
Miscellaneous	7,834	9,052	10,963	11,972	11,779	11,419
<b>Total Revenues</b>	<b>375,405</b>	<b>399,300</b>	<b>410,905</b>	<b>431,855</b>	<b>466,053</b>	<b>491,284</b>
<b>Expenditures</b>						
Transit	(428,034)	(467,001)	(468,101)	(501,510)	(523,496)	(545,823)
Transportation Administration	(4,671)	(5,157)	(5,157)	(5,889)	(6,054)	(6,223)
<b>Total Expenditures</b>	<b>(432,705)</b>	<b>(472,158)</b>	<b>(473,258)</b>	<b>(507,399)</b>	<b>(529,549)</b>	<b>(552,046)</b>
<b>Estimated Underexpenditures</b>	<b>0</b>	<b>4,722</b>	<b>4,733</b>	<b>5,074</b>	<b>5,295</b>	<b>5,520</b>
<b>Other Fund Transactions</b>						
Misc Balance Adjustment	(10,600)					
Transfer from Capital Program	73,817	72,206	72,206	66,536	59,904	57,063
<b>Total Other Fund Transactions</b>	<b>63,217</b>	<b>72,206</b>	<b>72,206</b>	<b>66,536</b>	<b>59,904</b>	<b>57,063</b>
<b>Ending Fund Balance</b>	<b>31,087</b>	<b>42,366</b>	<b>45,673</b>	<b>41,738</b>	<b>43,442</b>	<b>45,263</b>
<b>Reserves &amp; Designations</b>						
30 Day Operating Reserve	31,087	38,800	38,900	41,700	43,442	45,263
Fare Stabilization & Operating Enhancement		3,566	6,773	38		
<b>Total Reserves &amp; Designations</b>	<b>31,087</b>	<b>42,366</b>	<b>45,673</b>	<b>41,738</b>	<b>43,442</b>	<b>45,263</b>
<b>Ending Undesignated Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>35,568</b>	<b>38,811</b>	<b>38,902</b>	<b>41,708</b>	<b>43,529</b>	<b>45,378</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 13th month.

<sup>2</sup> 2006 Estimated is updated based on 2005 Actuals.

<sup>3</sup> 2008-2009 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Public Transportation Fund - Revenue Fleet Replacement Sub-Fund

(\$ in 000)	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>14,680</b>	<b>79,774</b>	<b>71,219</b>	<b>99,968</b>	<b>146,995</b>	<b>199,271</b>
<b>Revenues</b>						
Sales Tax Distribution	56,228	(656)	(2,619)	2,186	(2,616)	(4,927)
Interest	364	3,111	3,205	4,898	7,497	10,163
Grants: Section 5307 Preventive Maintenance	7,335	20,000	31,000	46,400	50,000	50,000
<b>Total Revenues</b>	<b>63,927</b>	<b>22,455</b>	<b>31,586</b>	<b>53,484</b>	<b>54,881</b>	<b>55,236</b>
<b>Expenditures</b>						
Cross Border Lease Fund Transfer	1,938					
Capital Fund Transfer	(9,321)	(2,837)	(2,837)	(6,457)	(2,604)	(2,424)
<b>Total Expenditures</b>	<b>(7,384)</b>	<b>(2,837)</b>	<b>(2,837)</b>	<b>(6,457)</b>	<b>(2,604)</b>	<b>(2,424)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
Balance Sheet Adj.	(4)					
<b>Total Other Fund Transactions</b>	<b>(4)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>71,219</b>	<b>99,391</b>	<b>99,968</b>	<b>146,995</b>	<b>199,271</b>	<b>252,084</b>
<b>Reserves &amp; Designations</b>						
Per financial policy	71,219	99,391	99,968	146,995	199,271	252,084
<b>Total Reserves &amp; Designations</b>	<b>71,219</b>	<b>99,391</b>	<b>99,968</b>	<b>146,995</b>	<b>199,271</b>	<b>252,084</b>
<b>Ending Undesignated Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>80,478</b>	<b>99,391</b>	<b>99,968</b>	<b>146,995</b>	<b>199,271</b>	<b>252,084</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 13th month.

<sup>2</sup> 2006 Estimated is updated based on 2005 Actuals.

<sup>3</sup> 2008-2009 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.



# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Public Transportation Fund - Capital Sub-Fund

(\$ in 000)	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	<b>126,781</b>	<b>93,597</b>	<b>85,620</b>	<b>70,981</b>	<b>30,362</b>	<b>20,367</b>
<b>Revenues</b>						
Sales Tax	27,652	89,595	92,983	93,465	103,987	112,136
Interest Income	4,467	2,464	3,489	2,465	1,281	684
Miscellaneous	7,571	15,789	8,688	31,824	25,038	17,934
Sound Transit Payments	5,022	10,464	10,464	9,979	2,015	2,986
Capital Grants	73,230	29,985	16,730	43,812	21,346	15,303
<b>Total Revenues</b>	<b>117,943</b>	<b>148,296</b>	<b>132,355</b>	<b>181,545</b>	<b>153,668</b>	<b>149,043</b>
<b>Expenditures</b>						
Capital Program Expenditures	(69,950)	(134,545)	(74,090)	(157,019)	(114,203)	(88,729)
Debt Service/Refin.	(15,135)	(15,133)	(15,133)	(15,132)	(16,194)	(16,688)
<b>Total Expenditures</b>	<b>(85,085)</b>	<b>(149,679)</b>	<b>(89,223)</b>	<b>(172,151)</b>	<b>(130,397)</b>	<b>(105,417)</b>
<b>Estimated Underexpenditures</b>		<b>9,370</b>	<b>9,917</b>	<b>8,526</b>	<b>1,737</b>	<b>(3,565)</b>
<b>Other Fund Transactions</b>						
Miscellaneous Fund Balance Adj.	(9,653)	1,025	1,546	1,712	970	984
RFRF Funds for Fleet Rep.	9,321	2,837	2,837	6,457	2,604	2,424
Lease and Prepaid Lease Offset	130	135	135	(173)	(173)	(173)
Transfer to Operating Fund	(73,817)	(72,206)	(72,206)	(66,536)	(59,904)	(57,063)
Long Term Borrowing					21,500	
<b>Total Other Fund Transactions</b>	<b>(74,019)</b>	<b>(68,208)</b>	<b>(67,687)</b>	<b>(58,540)</b>	<b>(35,002)</b>	<b>(53,828)</b>
<b>Ending Fund Balance</b>	<b>85,620</b>	<b>33,376</b>	<b>70,981</b>	<b>30,362</b>	<b>20,367</b>	<b>6,599</b>
<b>Reserves &amp; Designations</b>						
<b>Total Reserves &amp; Designations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>85,620</b>	<b>33,376</b>	<b>70,981</b>	<b>30,362</b>	<b>20,367</b>	<b>6,599</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>

### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 13th month.

<sup>2</sup> 2006 Estimated is updated based on 2005 Actuals.

<sup>3</sup> 2008-2009 projections are based on future assumptions concerning service levels and the supporting CIP.

<sup>4</sup> Target Fund Balance is based on formulae established in the financial policies.

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Roads 1030/0730

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	71,323,202	577.21	15.27
		Status Quo*	2,536,590	1.66	0.00
		<b>Status Quo Budget</b>	<b>73,859,792</b>	<b>578.87</b>	<b>15.27</b>
<b>Annexations</b>					
PC01		East Renton Annexation Service Reductions	(238,244)	(1.66)	0.00
RB07		Renton Complex - Land Sale Improvement and Transaction Costs	418,570	0.00	0.00
			<b>180,326</b>	<b>(1.66)</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(144,500)	0.00	0.00
			<b>(144,500)</b>	<b>0.00</b>	<b>0.00</b>
<b>Maximization of Use of Roads Facilities</b>					
PC14		Concurrency Test Methodology Revision.	75,000	0.00	0.00
PC15		Roads Maintenance Facilities Assessment	125,000	0.00	0.00
PC16		Geotechnical Data Acquisition	25,000	0.00	0.00
			<b>225,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Preservation and Maintenance of Infrastructure</b>					
PC02		2006 Storm Repairs Completion	359,082	0.00	0.00
PC03		Roadway Preparation for Pavement Overlay	153,514	0.00	0.00
PC04		Markings Installation for Pavement Overlay	91,575	0.00	0.00
PC10		Community Work Program Non-Felon Mowing Crew	57,903	0.00	0.00
PC11		Historic and Scenic Road Corridors Plan	175,000	0.00	0.00
			<b>837,074</b>	<b>0.00</b>	<b>0.00</b>
<b>Regulatory Requirements</b>					
PC08		NPDES Municipal Permit - Program Development	92,740	0.00	1.00
PC09		NPDES Municipal Permit - Mapping in PAAs	188,290	0.00	2.00
RB04		ADA Compliance - Handicap Ramp Retrofits	0	7.00	0.00
			<b>281,030</b>	<b>7.00</b>	<b>3.00</b>
<b>Technical Adjustment</b>					
PC06		Term Limited Temporary (TLT) Adjustments	(86,638)	0.00	1.25
PC07		Seasonal TLTs reclassified to Intermittent FTEs	0	9.52	(9.52)
RB01		Contracted City Services - Traffic Section	84,411	0.00	0.00
RB02		Contracted City Services - Maintenance	145,788	2.00	0.00
RB03		Road Maintenance - Water and Land Resources	0	5.00	0.00
TA02		DOT Administration Allocation	220,641	0.00	0.00
TA03		Labor Distribution	(563,291)	0.00	0.00
TA04		Nine Percent Surface Water Management Fee Increase	313,546	0.00	0.00
TA24		Facilities Management Charge	(106)	0.00	0.00
TA50		All Revenue	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	(183,073)	0.00	0.00
CR06		Healthy Workplace Fund	414	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	15,061	0.00	0.00
CR08		Technology Services Infrastructure Charge	(28,792)	0.00	0.00
CR09		Geographic Information Systems Charge	31,739	0.00	0.00
CR10		Office of Information Resource Management Charge	(7,419)	0.00	0.00
CR11		Telecommunications Services	(17,825)	0.00	0.00

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Roads 1030/0730

CR12	Telecommunications Overhead	(1,749)	0.00	0.00
CR13	Motor Pool Usage Charge	(5,210)	0.00	0.00
CR15	Insurance Charges	(57,439)	0.00	0.00
CR16	Radio Access	2,032	0.00	0.00
CR17	Radio Maintenance	811	0.00	0.00
CR19	Radio Reserve Program	(2,180)	0.00	0.00
CR20	Prosecuting Attorney Civil Division Charge	49,000	0.00	0.00
CR21	Debt Service Adjustment	(139)	0.00	0.00
CR22	Long Term Leases	(24,016)	0.00	0.00
CR25	Financial Services Charge	(172,511)	0.00	0.00
CR28	Equipment Repair and Replacement	105,604	0.00	0.00
CR29	Wastewater Vehicles	(3,129)	0.00	0.00
CR36	Property Services Lease Administration Fee	(455)	0.00	0.00
		<b>(184,925)</b>	<b>16.52</b>	<b>(8.27)</b>

#### 2007 Adopted Budget

**75,053,797      600.73      10.00**

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

#### Proviso(s):

##### PROVISO:

Of this appropriation, \$250,000 shall not be expended or encumbered until the executive has transmitted to the council an ordinance amending K.C.C. chapter 14.70, Transportation Concurrency Management, to require an annual report that explains the technical assumptions, land use changes, network changes and other parameters that are used to update the concurrency model and which shall be submitted to the council along with the annual update to the traffic concurrency model required by K.C.C. 14.70.270.

The proposed ordinance shall also establish an independent expert review panel on concurrency, which shall: (1) review the annual report on the concurrency model update; and (2) evaluate proposed changes to the transportation concurrency process and model developed by the road services division and reviewed by a working group with representation from the department of transportation, the council and the auditor.

The proposed ordinance required to be submitted by this proviso must be filed by March 31, 2007, in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the transportation committee, or its successor.

##### PROVISO:

Of this appropriation, \$75,000 shall be expended or encumbered solely for a concurrency study and only after the council has approved by motion a work program submitted by the executive for the study and the scope, schedule and selection criteria for a consultant to conduct the study. Consistent with the recommendations of the report on concurrency modeling practices conducted for the auditor, it is the intent of the council that the roads services division and its consultant develop a new roads concurrency process and model and that this new process and model be developed in time to be evaluated by an independent expert review panel and submitted to the council as part of the 2008 Comprehensive Plan update.

The work program shall, at a minimum, include: (1) the establishment of a collaborative working group to include representatives from the department of transportation, the council and the auditor; (2) a review of the findings and recommendations of the Report on the King County Concurrency Modeling Review, July 2006, prepared for the King County auditor and the roads services division's ongoing efforts to implement the audit recommendations; (3) consideration of a new concurrency process and model, with an explanation of any divergence from the audit recommendations; and (4) development of proposed amendments to the King County Comprehensive Plan and to K.C.C chapter 14.70, Transportation Concurrency Management, for submittal no later than March 1, 2008, as part of the 2008 major update of the Comprehensive Plan.

The working group shall provide input throughout the duration of the work program and shall review proposed changes to the concurrency process and model. The work program shall coordinate its activities with the independent expert review panel, which shall also review and comment on proposed changes to the concurrency process and model.

The proposed motion and work program required to be submitted by this proviso must be filed by March 31, 2007, in the form of 11 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the transportation committee, or its successor.

**Roads 1030/0730**

**PROVISO:**

Of this appropriation \$2,000,000 shall not be expended or encumbered until the council approves by motion a work plan transmitted by the executive for an alternatives analysis of the Vashon Highway Preservation project (CIP Project 300310).

The alternatives analysis shall provide an evaluative framework for meeting the county's responsibilities to the county road system on Vashon Island with respect to the Vashon Highway Preservation project. The alternatives analysis work plan shall include at least three alternatives for the Vashon Highway project for study and evaluation. Project alternatives shall include a "no-build" option and alternative roadway alignments. Evaluative criteria shall include, but not be limited to, the following project considerations: operating efficiencies and cost effectiveness including life cycle cost analysis of project alternatives; environmental impacts; traffic impacts including those to nonmotorized modes; and community impacts. The work plan and proposed motion for the alternatives analysis shall include a scope of work, tasks, list of evaluative criteria to be used, schedule, milestones and budget for the work.

The executive shall submit the work plan for the alternatives analysis and proposed motion by March 31, 2007, in the form of 12 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the capital budget committee and the transportation committee, or their successors.

**PROVISO:**

Of this appropriation \$2,000,000 shall not be expended or encumbered until the council approves by motion a work plan transmitted by the executive for an alternatives analysis of the Dockton Road South project (CIP Project 300208). The alternatives analysis shall provide an evaluative framework for meeting the county's responsibilities to the county road system on Vashon Island with respect to the Dockton Road South project. The alternatives analysis work plan shall include at least three alternatives for the Dockton Road South project for study and evaluation. Project alternatives shall include a "no-build" option and alternative roadway alignments. Evaluative criteria shall include, but not be limited to, the following project considerations: operating efficiencies and cost effectiveness including life cycle cost analysis of project alternatives; environmental impacts; traffic impacts including those to nonmotorized modes; and community impacts. The work plan and proposed motion for the alternatives analysis shall include a scope of work, tasks, list of evaluative criteria to be used, schedule, milestones and budget for the work.

The executive shall submit the proposed motion and the work plan for the alternatives analysis and proposed motion by March 31, 2007, in the form of 12 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the capital budget committee and the transportation committee, or their successors.

**PROVISO:**

Of this appropriation \$2,000,000 shall not be expended or encumbered until the council approves by motion a work plan transmitted by the executive for an alternatives analysis of the Dockton Road North project (CIP Project 300111).

The alternatives analysis shall provide an evaluative framework for meeting the county's responsibilities to the county road system on Vashon Island with respect to the Dockton Road North project. The alternatives analysis work plan shall include at least three alternatives for the Dockton Road North project for study and evaluation. Project alternatives shall include a "no-build" option and alternative roadway alignments. Evaluative criteria shall include, but not be limited to, the following project considerations: operating efficiencies and cost effectiveness including life cycle cost analysis of project alternatives; environmental impacts; traffic impacts including those to nonmotorized modes; and community impacts. The work plan and proposed motion for the alternatives analysis shall include a scope of work, tasks, list of evaluative criteria to be used, schedule, milestones and budget for the work.

The executive shall submit the proposed motion and the work plan for the alternatives analysis and proposed motion by March 31, 2007, in the form of 12 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff of the capital budget committee and the transportation committee, or their successors.

### Road Services Division

The total 2007 Executive Proposed Budget for the Road Services Division is \$75,198,297 with 600.73 FTEs and 10.00 TLTs. The Proposed Budget for Roads reflects the division's practice of sound fiscal management and its focus on meeting its core goals of maintaining and preserving existing infrastructure and maximizing the use of the division facilities. In addition, the Road Services Division continues to respond to the pressures of annexation by identifying expenditure savings and revenues losses in 2007 associated with the anticipated annexation of East Renton by the City of Renton and by selling a portion of its Renton Maintenance Facility to fund improvements in Renton's Potential Annexation Areas.

#### Annexation

The Road Services Division has identified a loss of over \$700,000 in revenue as a result of the anticipated East Renton annexation by the City of Renton. The division has identified areas of direct expenditures savings to the East Renton area. The remaining revenue loss is offset by other budget and operational adjustments in the Roads Services Division.

**East Renton Annexation Service Reductions - (\$238,244) and (1.66) FTEs.** Pending voter approval, the City of Renton will annex East Renton on March 1, 2007. If the area is annexed, the Roads Division will reduce expenditures in 2007 by \$238,244 and 1.66 FTEs. This program change results from no longer serving East Renton with traffic operations and road maintenance services.

**Renton Complex – Land Sale Improvements and Transaction Costs - \$418,570.** In support of the Annexation Incentives program, the Road Services Division will sell a portion of its Renton Maintenance Facility to the City of Renton. This proposal funds the work necessary to prepare the site for sale, including relocating the Traffic Pole Yard, moving some fencing and materials storage bunkers, surveying the property to establish a new boundary, and clearing and grading. These costs will be covered by proceeds from the sale of the property. The remaining land sale proceeds are budgeted in the Roads CIP to fund pavement overlay in the Renton West Hill Potential Annexation Area.

#### Maximization of Use of Roads Facilities

The Road Services Division intends to identify ways to maximize the use of its facilities as growth and development occur throughout King County and as the division's service area changes as a result of annexations, increases in reimbursable work provided to other county and city agencies, and continued modest growth in the rural area.

**Concurrency Test Methodology Revision - \$75,000.** This proposal funds a consultant study to develop a new process and methodology for the Road Services Division's concurrency testing, as required by RCW 36.70A.070. An updated concurrency methodology is necessary to ensure that road and bridge capacity are sufficient as growth and development occur throughout King County and will provide a measure of predictability to the development community, while supporting growth management goals and requirements.

**Roads Maintenance Facility Assessment - \$125,000.** This proposal funds a consultant study to research existing Roads maintenance facilities and create a plan to determine the number and location of facilities needed as the division's service area changes. The plan will help determine which properties are appropriate to remain as shops facilities, and which sites can be closed or surplus. Results of the assessment will inform the Roads Facilities Master Plan.

**Geotechnical Data Acquisition - \$25,000.** This proposal funds the first of six annual \$25,000

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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contributions to the University of Washington Geomap Northwest Project to expand its comprehensive geologic mapping system to areas of unincorporated King County. The Road Services Division will be able to access the collected data in support of on-going projects and to reduce redundancy in its field exploration, testing, and analysis

### **Preservation and Maintenance of Infrastructure**

The Road Services Division places primary importance on preserving and maintaining infrastructure, a policy direction that is contained within the adopted King County Comprehensive Plan.

**2006 Storm Repairs Completion - \$359,082.** Severe storms in winter 2006 caused damage to roadways throughout King County. This proposal allows the Road Services Division to repair storm-related damage that was in design in 2006, including Hake Road, 316<sup>th</sup> Land SE Vashon Highway, S 212 Street, and SE May Valley Road.

**Roadway Preparation for Pavement Overlay - \$153,514.** Due to efficiencies in its overlay program, the Road Services Division will increase overlay pavement by six centerline miles in 2007. This proposal provides funding for the preparatory work needed for the additional six miles of overlay.

**Marking Installation for Pavement Overlay - \$91,575.** Historically, the costs for pavement striping and the installation of Raised Pavement Markings associated with overlay projects have been absorbed in the division's operating budget. With the increase in annual miles of pavement overlay, it is no longer possible to absorb the cost of markings installation. This funding reflects the cumulative cost of markings installation over the past six years.

**Community Work Program Non-Felon Mowing Crew - \$57,903.** This proposal will extend the assignment of a Community Work Program work crew to the Road Services Division until the Downtown Transit Tunnel is reopened — anticipated to be June 2007 — when the work crew will return to its previous assignment of maintaining the Tunnel under contract with the Transit Division. As in 2006, the work crew will address the backlog of critical guardrail and sidewalk grass, noxious weeds, and brush and woody vine mowing work.

**Historic and Scenic Road Corridors Plan - \$175,000.** A Federal Highway Administration Transportation Enhancement grant will fund a consultant study to survey, inventory, and prioritize existing historic and scenic road corridors for protection as heritage sites.

### **Regulatory Requirements**

The Road Services Division must comply with all federal and state regulations affecting road maintenance, operations, and construction. The 2007 Executive Proposed Budget reflects the new costs associated with updated stormwater monitoring regulations and Americans with Disabilities Act compliance.

**National Pollution Discharge Elimination System (NPDES) Municipal Permit Program Development - \$92,740 and 1.00 TLT.** This proposal funds a two-year TLT who will oversee program development and planning for how the Road Services Division will comply with new federal permit requirements for increased water quality monitoring and reporting. The work is necessary to meet NPDES requirements of the Clean Water Act and the Washington Department of Ecology.

**NPDES Municipal Permit Mapping in Potential Annexation Areas (PAAs) - \$188,290 and 2.00 TLTs.** This proposal creates a mapping crew to help municipalities meet the new NPDES requirement to map their stormwater systems. Road Services will contract with two to three PAAs to provide service as an element of the PAA Incentive program. If the program is successful, the service would

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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be continued over the next two years to include other PAAs and cities.

**American with Disabilities Act (ADA) Compliance – Handicap Ramps - \$0 and 7.00 FTEs.** This proposal provides loan-out labor support to the Roads Capital Improvement Program (CIP) to ensure that ADA requirements are met for pedestrian ramps at intersections where overlay work is taking place. The ramps will improve handicapped pedestrian safety and comply with federal regulations. Seven new FTEs are required to perform the work.

### **Technical Adjustments**

**Term Limited Temporary (TLT) Adjustments - (\$86,638) and 1.25 TLTs.** This proposal updates the TLT staffing levels and corresponding budget for 2007. Four TLTs were added, while 2.75 TLT positions were eliminated. The new TLTs will be loaned out to Roads CIP and to cities to complete contracted traffic signal operations and maintenance work.

**Reclassification of Seasonal TLTs to Intermittent FTEs (IFTEs) - \$0 Exp and 9.52 FTEs and (9.52) TLTs.** This is a technical adjustment in response to the Human Resources Division's policy directive to convert seasonal TLTs to a new position category called "Intermittent FTEs." There will be no financial impact from this proposal; the division's FTE count will increase by 9.52.

**Traffic – Contracted City Services - \$84,411.** This proposal is the annual change to the Traffic Contract City Program based on city input, actual work performed for cities in the past, annexations, and changes to cities' inventories. Contract work for cities is integral to the Road Services Division's vision and all work is fully reimbursable.

**Road Maintenance – Contracted City Services - \$145,788 and 2.00 FTEs.** This is an annual adjustment to the level of contracted services between Roads Maintenance and contracting cities in response to service requirements of the contracting cities. Increased maintenance work for "new non-contract cities" that have not historically been part of the contract cities program comprises the largest share of growth in this proposal.

**Road Maintenance – Support to Water and Land Resources Division (WLRD) - \$0 and 5.00 FTEs.** The Road Services Division loans out labor to perform various maintenance activities for WLRD. For 2007, WLRD has requested additional support for a backlog of retention detention maintenance. Additionally, the Rivers Management and Green River Flood Control Zone District programs have requested support for the Fenster and Cedar Rapids levee setback projects, Green River levee project, and Cedar River Rainbow Bend project.

**Labor Distribution - (\$563,291).** This proposal reflects technical adjustments associated with distributed labor and administrative overhead cost recovery.

**Nine Percent Surface Water Maintenance (SWM) Fee Increase - \$313,546.** The Road Services Division pays the SWM fee based on the number of impermeable surfaced road miles in unincorporated King County. In 2007, the WRLD is seeking a nine percent increase to the fee. This proposal represents a 9 percent increase to the Roads Division's annual SWM fee.

**Central Rates – (\$299,276).** Central rate adjustments include CX Overhead, Healthy Workplace Funding Initiative, ITS O&M and Infrastructure, Telecommunications Services and Overhead, GIS, Insurance, PAO, Debt Service, Long Term Lease and Lease Administration Fee, Finance, Property

Services Management, Wastewater Vehicles, Motor Pool, Radio charges, Equipment Repair and Replacement, and the DOT Director's Office allocation.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Roads Services and Stormwater Decant - Fund 1030

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected	2009 Projected
<b>Beginning Fund Balance</b>	(2,432,096)	908,619	1,851,577	3,121,464	1,934,233	1,963,619
<b>Revenues</b>						
* Property Taxes <sup>3</sup>	69,624,076	73,261,547	75,183,930	76,949,450	81,490,138	84,475,965
* Gas Taxes <sup>4</sup>	14,435,458	15,806,232	15,872,814	16,442,319	16,917,898	17,357,168
* Reimbursable Fees for Services <sup>5</sup>	14,183,170	12,650,282	13,473,947	13,315,946	13,641,002	13,974,997
* Sale of Assets <sup>6</sup>		761,250	1,604,087	3,721,250	716,250	
* Grants <sup>7</sup>			993,834	260,358		
* Other Revenues <sup>8</sup>	3,150,248	2,108,547	2,073,664	2,352,579	2,235,616	2,295,250
<b>Total Revenues</b>	101,392,952	104,587,858	109,202,276	113,041,902	115,000,904	118,103,380
<b>Expenditures</b>						
* Roads Operating Base	(57,206,475)	(64,397,888)	(64,397,888)	(67,654,197)	(67,879,929)	(69,849,449)
* Surface Water Management Transfer <sup>9</sup>	(3,572,228)	(3,534,299)	(3,534,299)	(3,847,845)	(3,847,845)	(3,847,845)
* CX Transfer for Traffic Enforcement <sup>10</sup>	(3,412,955)	(3,391,015)	(3,391,015)	(3,551,755)	(3,625,391)	(3,741,404)
* Regional Stormwater Disposal (Vactor Program)	(471,298)	(527,868)	(527,868)	(531,218)	(548,217)	(565,760)
* Previous Year Encumbrance Carryover			(1,047,898)			
* 1st Quarter Omnibus <sup>11</sup>			(2,553,221)			
<b>Total Expenditures</b>	(64,662,956)	(71,851,070)	(75,452,189)	(75,585,015)	(75,901,382)	(78,004,458)
<b>Estimated Underexpenditures<sup>12</sup></b>		718,511	754,522	755,850	759,014	780,045
<b>Other Fund Transactions</b>						
* Transfer to Roads Construction Fund (CIP) <sup>13</sup>	(32,446,323)	(33,234,722)	(33,234,722)	(36,978,628)	(40,459,820)	(41,556,840)
* Outyear CIP adjustments to balance plan					630,670	724,410
* 2006 Storm Repair Costs in 2007				(156,000)		
* PAA Incentives - NPDES Mapping Services				185,960		
* Renton Maintenance Complex Land Sale				(2,451,300)		
<b>Total Other Fund Transactions</b>	(32,446,323)	(33,234,722)	(33,234,722)	(39,399,968)	(39,829,150)	(40,832,430)
<b>Ending Fund Balance</b>	1,851,577	1,129,196	3,121,464	1,934,233	1,963,619	2,010,156
<b>Reserves &amp; Designations</b>						
* Reserve for Encumbrance	(1,047,898)					
* Reserve for Asset Mgmt System <sup>14</sup>				(153,006)	(153,006)	(153,006)
<b>Total Reserves &amp; Designations</b>	(1,047,898)	0	0	(153,006)	(153,006)	(153,006)
<b>Ending Undesignated Fund Balance</b>	803,679	1,129,196	3,121,464	1,781,227	1,810,613	1,857,150
<b>Target Fund Balance<sup>15</sup></b>	<b>1,520,894</b>	<b>1,568,818</b>	<b>1,638,034</b>	<b>1,695,628</b>	<b>1,725,014</b>	<b>1,771,551</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 14th month ARMS report.

<sup>2</sup> 2006 Estimated is based on Roads updated estimates as of December 2006.

<sup>3</sup> Given the stay on the recent Superior Court ruling overturning I-747, the financial plan continues to assume a 1% Unincorporated King County levy growth rate, plus new construction.

<sup>4</sup> Gas Tax estimates are based on the Washington Department of Transportation's June 2006 estimate of statewide revenues available to counties and the July 2006 King County allocation factor from the County Roads Administration Board.

<sup>5</sup> Reimbursable fees for service include city contracts, expense/revenue identified in the divisionwide reimbursables org (1688) covering discretionary services, MPS administration fees, right-of-way inspection fees, and regional stormwater decant fees.

<sup>6</sup> Sale of Assets include surplus property sales and Covington gravel and sand mining receipts. It does not include the sale of a portion of the Renton Maintenance Facility, which will benefit the CIP fund.

<sup>7</sup> Grants are from the Federal Highway Administration in 2006 and 2007 to partially cover 2006 winter storm damage repairs.

<sup>8</sup> Other Revenues include all Road Fund revenues other than those identified in the financial plan.

<sup>9</sup> Includes the 9% increase in the Surface Water Management fee proposed for 2007 and the decrease associated with the annexation of East Renton anticipated on March 1, 2007.

<sup>10</sup> The CX Transfer for Traffic Enforcement was adjusted in 2007 PSQ to correct for an error in the 2006 Adopted Budget and to reflect inflationary increases on the STEP contract. The transfer includes a base \$2.2 million, which does not inflate, and the STEP contract (\$1,351,755 in 2007), which changes according to the Sheriff's Office Cost Book and is estimated to grow at 5% annually for planning purposes.

<sup>11</sup> Includes the Klahanie add-back and the costs associated with 2006 winter storm damage repair.

<sup>12</sup> Underexpenditures assumption is 1% of total expenditures.

<sup>13</sup> The 2007-2012 six-year CIP Contribution (\$256.5 million) is approximately \$10.1 million more than the six-year total for the 2006-2011 adopted six-year program (\$246.4 million) in the 2007 Executive Proposed Financial Plan due to efforts to hold down operating expenditures and maximize the funds available for CIP.

<sup>14</sup> Roads anticipates presenting its Comprehensive Asset Management System in a supplemental in early 2007. This reserve sets aside the funds necessary to implement the full project over a number of years. If approved, the project will be budgeted through CIP.

<sup>15</sup> Beginning in 2001, the ending fund balance target is established at 1.5% of programmed revenues. Previously, the target fund balance had been 5% of programmed revenues, but the policy of managing cash requirements through strategic timing of the Construction Fund transfer allows for a lower minimum fund balance.

## COUNCIL ADOPTED BUDGET

**COLA Decrease – (\$144,500).** Only after submission of the Executive Proposed Budget did



## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$144,500 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Stormwater Decant Program 1030/0726**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	527,868	0.00	0.00
		Status Quo*	3,652	0.00	0.00
		<b>Status Quo Budget</b>	<b>531,520</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA50		Revenue	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	93	0.00	0.00
CR11		Telecommunications Services	13	0.00	0.00
CR12		Telecommunications Overhead	13	0.00	0.00
CR25		Financial Services Charge	(421)	0.00	0.00
			<b>(302)</b>	<b>0.00</b>	<b>0.00</b>
		<b>2007 Adopted Budget</b>	<b>531,218</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

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### **Stormwater Decant Program**

#### **Technical Adjustments**

**Central Rate Adjustments - (\$302).** The central rate adjustments include changes to CX Overhead, Telecommunications, and the Financial Services charge.

### ***C O U N C I L   A D O P T E D   B U D G E T***

*Council made no changes to the 2007 Executive Proposed Budget.*

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Roads Construction Transfer 1030/0734**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	33,234,722	0.00	0.00
		Status Quo*	0	0.00	0.00
		<b>Status Quo Budget</b>	<b>33,234,722</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Change</b>					
TA01		Transfer to Capital Improvement Program	6,165,246	0.00	0.00
			<b>6,165,246</b>	<b>0.00</b>	<b>0.00</b>
		<b>2007 Adopted Budget</b>	<b>39,399,968</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Road Construction Transfer**

#### **Technical Adjustments**

**Transfer from Road Fund to Capital Funds – \$6,165,246.** This proposal reflects the amount available to increase Road Fund contributions to the Roads CIP after accounting for priority operating budget adjustments and meeting ending fund balance requirement of 1.5 percent of total revenues.

### ***C O U N C I L   A D O P T E D   B U D G E T***

*Council made no changes to the 2007 Executive Proposed Budget.*

### Fleet Administration

**Fleet Administration Division** manages the county's vehicles in the Motor Pool Fund, the Wastewater Equipment Rental and Revolving Fund, and the Public Works Equipment Rental and Revolving Fund. The Sheriff's Office and other Current Expense agencies represent about two-thirds of the Motor Pool Fund vehicles and services. The Road Service Division is the primary user of the Public Works Equipment Rental and Revolving Fund. The Wastewater Division is the primary user of the Wastewater Equipment Rental and Revolving Fund.

In the 2007 Executive Proposed Budget, Fleet is challenged to minimize the rate impact to customers as the cost of fuel continues to increase, a 26 percent increase from 2004 to 2005. The rates charged to agencies are based primarily on three factors: vehicle use, vehicle maintenance, and vehicle replacement. The 2007 rates are based on 2005 actual use. Fleet uses an industry standard model to determine the economically efficient time to replace a vehicle. This vehicle replacement model considers variables such as annual costs, resale/salvage value, and purchase price.

Beyond the standard adjustments to supplies, services, and capital outlay accounts, the 2007 Executive Proposed Budget also includes staffing to implement the King County Executive's and DOT's environmental protection policies. The 2007 budget also includes grant funding to be applied toward the collective purchase of medium and heavy-duty hybrid trucks for a consortium of Washington State municipal fleets.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

**Motor Pool Equipment Rental and Revolving 5580/0780**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	9,952,888	21.00	0.00
		Status Quo*	399,868	0.00	0.00
		<b>Status Quo Budget</b>	<b>10,352,756</b>	<b>21.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(3,282)	0.00	0.00
			<b>(3,282)</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
RB01		Operation and Maintenance Adjustments	179,472	0.00	0.00
RB02		Equipment Replacement Above PSQ	275,033	0.00	0.00
TA50		Revenue Increment	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	4,563	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	(1,954)	0.00	0.00
CR08		Technology Services Infrastructure Charge	(503)	0.00	0.00
CR09		Geographic Information Systems Charge	3	0.00	0.00
CR10		Office of Information Resource Management Charge	(175)	0.00	0.00
CR11		Telecommunications Services	(409)	0.00	0.00
CR12		Telecommunications Overhead	(534)	0.00	0.00
CR14		Facilities Management Space Charge	55,854	0.00	0.00
CR15		Insurance Charges	(5,991)	0.00	0.00
CR19		Radio Reserve Program	(7)	0.00	0.00
CR21		Debt Service Adjustment	(27)	0.00	0.00
CR22		Long Term Leases	(5,508)	0.00	0.00
CR25		Financial Services Charge	2,346	0.00	0.00
CR36		Property Services Lease Administration Fee	(67)	0.00	0.00
CR39		COLA Adjustment	3,221	0.00	0.00
			<b>505,317</b>	<b>0.00</b>	<b>0.00</b>
		<b>2007 Adopted Budget</b>	<b>10,854,791</b>	<b>21.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Motor Pool ER&R Fund**

The total 2007 Budget for the Motor Pool ER&R appropriation unit is \$10,854,791 and 21.00 FTEs.

#### **Technical Adjustments**

**Operations and Maintenance Adjustment - \$179,472.** Budget adjustments to various supply and service accounts to reflect actual expenses.

**Equipment Replacement Adjustment - \$275,033.** The budget authority necessary to replace vehicles in 2007 will increase by \$275,033 from the previous estimate. While agency contributions to Motor Pool are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

**Central Rates – \$50,812.** There is a net increase in central rate charges due mostly to an increase in the Facilities Management charge.



## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Motor Pool Equipment Rental Revolving Fund

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	7,641,700	2,782,893	3,394,808	2,358,927	1,105,329	931,476
<b>Revenues</b>						
* Garage Services & Supplies	197,001	144,018	144,018	172,153	177,318	182,637
* Investment Interest	197,579	79,143	79,143	74,003	40,342	34,615
* Sale of Equipment	229,933	368,039	368,039	395,543	326,260	363,086
* Other Miscellaneous Revenues	201,550	135,000	135,000	139,050	143,222	147,518
* Vehicle Rental Revenues	7,323,195	8,098,541	8,098,541	8,752,494	9,277,644	9,834,302
* Fund Balance Transfers - Orcas St. <sup>5</sup>		339,917	339,917	67,949	179,485	188,459
<b>Total Revenues</b>	<b>8,149,258</b>	<b>9,164,658</b>	<b>9,164,658</b>	<b>9,601,192</b>	<b>10,144,269</b>	<b>10,750,618</b>
<b>Expenditures</b>						
* Operating and Maintenance	(6,313,568)	(6,233,041)	(6,233,041)	(6,859,115)	(7,014,952)	(7,184,853)
* Capital Equipment Replacement	(3,834,290)	(3,680,394)	(3,680,394)	(3,955,427)	(3,262,595)	(3,630,859)
* Debt Service-Core Financial	(40,565)	(39,453)	(39,453)	(40,248)	(40,575)	(40,548)
* 2005-2006 Carryover Encumbrances			(247,651)			
<b>Total Expenditures</b>	<b>(10,188,423)</b>	<b>(9,952,888)</b>	<b>(10,200,539)</b>	<b>(10,854,791)</b>	<b>(10,318,122)</b>	<b>(10,856,260)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
* Fund Balance Reduction-Orcas St. Fun transfers from other agencies	(2,197,187)	339,917				
* Other Financial Transactions	(10,539)					
<b>Total Other Fund Transactions</b>	<b>(2,207,726)</b>	<b>339,917</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>3,394,808</b>	<b>2,334,580</b>	<b>2,358,927</b>	<b>1,105,329</b>	<b>931,476</b>	<b>825,834</b>
<b>Reserves &amp; Designations</b>						
* Allowance of Inventory	(58,318)	(86,706)	(86,706)	(89,307)	(91,986)	(94,746)
* Contingency for Capital Improvement	(249,714)	(264,742)	(264,742)	(285,851)	(298,944)	(316,865)
* 2005-2006 Carryover Encumbrances	(247,651)					
<b>Total Reserves &amp; Designations</b>	<b>(555,683)</b>	<b>(351,448)</b>	<b>(351,448)</b>	<b>(375,158)</b>	<b>(390,930)</b>	<b>(411,611)</b>
<b>Ending Undesignated Fund Balance</b>	<b>2,839,125</b>	<b>1,983,132</b>	<b>2,007,479</b>	<b>730,171</b>	<b>540,546</b>	<b>414,224</b>
<b>Projected Fleet Replacement Cost (PFRC)</b>	<b>26,439,630</b>	<b>26,486,552</b>	<b>26,486,552</b>	<b>27,715,360</b>	<b>28,546,821</b>	<b>29,403,225</b>
<b>Percent of Proj. Fleet Repl. Cost</b>	<b>11%</b>	<b>7%</b>	<b>8%</b>	<b>3%</b>	<b>2%</b>	<b>1%</b>
<b>Target Fund Balance- 10% of PFRC</b>	<b>2,643,963</b>	<b>2,648,655</b>	<b>2,648,655</b>	<b>2,771,536</b>	<b>2,854,682</b>	<b>2,940,323</b>
<b>Target Fund Balance- 20% of PFRC</b>	<b>5,287,926</b>	<b>5,297,310</b>	<b>5,297,310</b>	<b>5,543,072</b>	<b>5,709,364</b>	<b>5,880,645</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR.

<sup>2</sup> 2006 Estimated is based on annualized revenue & expenditure report.

<sup>3</sup> 2008 and 2009 Projected are based on the following assumptions:

- a) Assumes 4% annual percentage rate on investment earnings.
- b) Assumes sale of equipment is 10% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated increase 3% per year.
- f) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>4</sup> Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

<sup>5</sup> Other Fleet funds share of the Orcas building O & M and lease costs.

## C O U N C I L A D O P T E D B U D G E T

**COLA Decrease – (\$3,282).** Only after submission of the Executive Proposed Budget, did the Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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*COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$3,282 in the 2007 budget.*

# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Equipment Rental and Revolving 5570/0750

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		2006 Adopted	9,894,452	55.00	0.00
	<b>PE</b>	Status Quo*	366,980	0.00	0.00
		<b>Status Quo Budget</b>	<b>10,261,432</b>	<b>55.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(9,868)	0.00	0.00
			<b>(9,868)</b>	<b>0.00</b>	<b>0.00</b>
<b>Expanded Service Delivery</b>					
RB02		Program Manager Executive Climate Change Policy	83,815	1.00	0.00
			<b>83,815</b>	<b>1.00</b>	<b>0.00</b>
<b>Revenue Backed Grant Awards</b>					
RB05		EPA Grant - NW Hybrid Truck Consortium	250,000	0.00	0.00
			<b>250,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
RB01		Equipment Replacement Adjustment	406,952	0.00	0.00
RB03		Operation and Maintenance Adjustment	(24,064)	0.00	0.00
RB04		Personal Property and Fixed Asset Data Management Adjustment	5,000	0.00	0.00
TA50		Revenue Increment	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	5,753	0.00	0.00
CR06		Healthy Workplace Fund	25	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	(188)	0.00	0.00
CR08		Technology Services Infrastructure Charge	(1,276)	0.00	0.00
CR10		Office of Information Resource Management Charge	2,846	0.00	0.00
CR11		Telecommunications Services	(14,649)	0.00	0.00
CR12		Telecommunications Overhead	1,155	0.00	0.00
CR13		Motor Pool Usage Charge	(12,135)	0.00	0.00
CR14		Facilities Management Space Charge	16,872	0.00	0.00
CR15		Insurance Charges	(11,157)	0.00	0.00
CR17		Radio Maintenance	156	0.00	0.00
CR19		Radio Reserve Program	(74)	0.00	0.00
CR21		Debt Service Adjustment	(39)	0.00	0.00
CR22		Long Term Leases	15,693	0.00	0.00
CR25		Financial Services Charge	(937)	0.00	0.00
CR28		Equipment Repair and Replacement	51,377	0.00	0.00
CR29		Wastewater Vehicles	9,092	0.00	0.00
CR36		Property Services Lease Administration Fee	1,490	0.00	0.00
CR39		COLA Adjustment	11,062	0.00	0.00
			<b>462,954</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>11,048,333</b>	<b>56.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Public Works ER&R Fund**

The total 2007 Budget for the Public Works ER&R appropriation unit is \$11,048,333 and 56.00 FTEs

#### **Expanded Service Delivery**

**Program Manager Executive Climate Change Policy - \$83,815 and 1.00 FTE.** This request adds a program manager to provide the research, analysis, and customer outreach necessary to meet the goals of Executive's Climate Change Policies.

#### **Revenue Backed Grant Awards**

**EPA Grant - NW Hybrid Truck Consortium - \$250,000.** King County Fleet Administration Division has applied for and been awarded grant funds to partially offset the incremental cost of purchasing medium and heavy duty hybrid trucks on behalf of the NW Hybrid Medium and Heavy Duty Truck Consortium members.

#### **Technical Adjustments**

**Equipment Replacement Adjustment - \$406,952.** Adjustment to 2007 vehicle purchase expense as defined in equipment replacement plan. While agency contributions to this fund are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

**Operation and Maintenance Adjustment - (\$24,064).** Budget adjustments to various supply and service accounts to reflect actual expenses.

**Personal Property and Fixed Asset Data Management Adjustment - \$5,000.** Budget adjustments to various supply and service accounts to reflect actual expenses.

**Central Rates – \$75,066.** There is a net increase in central rate charges. Significant decreases in the Telecom Services, Motor Pool and Insurance charges are offset by increased CX Overhead, Facilities Management, Long Term Lease, Roads Equipment ER&R, Wastewater Equipment ER&R, and COLA charges.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Public Works Equipment Rental Revolving Fund 2007 Financial Plan

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	11,581,092	6,699,385	9,742,747	7,435,985	5,224,970	2,936,770
<b>Revenues</b>						
* Sales of Stores & Materials	723,423	587,262	587,262	617,399	635,921	654,999
* Investment Interest	323,269	156,545	156,545	156,545	181,854	104,045
* Sale of Equipment	550,769	246,786	246,786	295,620	446,998	237,025
* Other Miscellaneous Revenues	238,006	198,847	198,847	208,789	219,228	230,190
* Vehicle Rental Revenues	5,506,595	6,364,405	6,364,405	6,681,577	7,239,017	7,829,903
* Personal Property & Fixed Assets Revenues	302,774	620,566	620,566	627,388	646,210	665,596
* Environmental Grants				250,000		
<b>Total Revenues</b>	7,644,836	8,174,411	8,174,411	8,837,318	9,369,228	9,721,757
<b>Expenditures</b>						
* Operating and Maintenance	(4,691,140)	(7,132,856)	(7,132,856)	(7,543,135)	(7,710,918)	(7,883,735)
* Capital Equipment Replacement	(3,417,319)	(2,056,549)	(2,056,549)	(2,463,501)	(3,124,987)	(1,975,208)
* Debt Service - Core Financial	(58,511)	(50,908)	(50,908)	(50,908)	(58,511)	(58,529)
* Personal Property & Fixed Assets	(633,738)	(654,139)	(654,139)	(740,789)	(763,013)	(785,903)
* 2005-2006 Carryover Encumbrances			(586,721)			
* Environmental Grants				(250,000)		
<b>Total Expenditures</b>	(8,800,707)	(9,894,452)	(10,481,173)	(11,048,333)	(11,657,429)	(10,703,375)
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
* Other Financial Transactions	97,957					
* Rebate to Roads	(780,430)					
<b>Total Other Fund Transactions</b>	(682,473)	0	0	0	0	0
<b>Ending Fund Balance</b>	9,742,747	4,979,344	7,435,985	5,224,970	2,936,770	1,955,152
<b>Reserves &amp; Designations</b>						
* Allowance for Inventory	(1,075,443)	(1,445,012)	(1,445,012)	(1,488,362)	(1,533,013)	(1,579,004)
* Contingency for Capital Improvement	(239,073)	(245,232)	(245,232)	(265,120)	(281,077)	(291,653)
* 2005-2006 Carryover Encumbrances	(586,721)					
<b>Total Reserves &amp; Designations</b>	(1,901,237)	(1,690,244)	(1,690,244)	(1,753,482)	(1,814,090)	(1,870,656)
<b>Ending Undesignated Fund Balance</b>	7,841,510	3,289,100	5,745,741	3,471,489	1,122,680	84,496
<b>Projected Fleet Replacement Cost (PFRC)</b>	31,204,802	29,519,257	29,519,257	29,725,856	30,617,632	31,536,161
<b>Percent of Proj. Fleet Repl. Cost</b>	25%	11%	19%	12%	4%	0%
<b>Target Fund Balance - 10% of PFRC <sup>4</sup></b>	<b>3,120,480</b>	<b>2,951,926</b>	<b>2,951,926</b>	<b>2,972,586</b>	<b>3,061,763</b>	<b>3,153,616</b>
<b>Target Fund Balance - 20% of PFRC</b>	<b>6,240,960</b>	<b>5,903,851</b>	<b>5,903,851</b>	<b>5,945,171</b>	<b>6,123,526</b>	<b>6,307,232</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR.

<sup>2</sup> 2006 Estimated is based on annualized revenue & expenditure report.

<sup>3</sup> 2008 and 2009 Projected are based on the following assumptions:

- Assumes 4.0% annual percentage rate on investment earnings.
- Assumes sale of equipment is 12% of annual capital expenditures.
- Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- Allowance for inventory is equal to inventory value at the beginning of each year per CAFR. Estimated to increase 3% per year.
- Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>4</sup> Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

## C O U N C I L A D O P T E D B U D G E T

**COLA Decrease – (\$9,868).** Only after submission of the Executive Proposed Budget, did the Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the County to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$9,868 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN****Wastewater Equipment Rental and Revolving 5441/0137**

Code	Item Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>				
	<i>PE</i>			
	2006 Adopted	2,524,588	0.00	0.00
	Status Quo*	44,533	0.00	0.00
	<b>Status Quo Budget</b>	<b>2,569,121</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>				
RB01	Equipment Replacement Adjustment	(170,027)	0.00	0.00
RB02	Operation and Maintenance Adjustment	(148,293)	0.00	0.00
TA50	Revenue Increment	0	0.00	0.00
CR05	Current Expense Overhead Adjustment	1,971	0.00	0.00
CR10	Office of Information Resource Management Charge	(2,671)	0.00	0.00
CR15	Insurance Charges	(3,512)	0.00	0.00
CR25	Financial Services Charge	(641)	0.00	0.00
		<b>(323,173)</b>	<b>0.00</b>	<b>0.00</b>
	<b>2007 Adopted Budget</b>	<b>2,245,948</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### Wastewater ER&R Fund

The total 2007 Budget for the Wastewater ER&R appropriation unit is \$2,245,948.

#### Technical Adjustments

**Equipment Replacement Adjustment - (\$170,027).** Adjustment to 2007 vehicle purchase expense as defined in equipment replacement plan. While agency contributions to this fund are relatively consistent from year-to-year, the amount of budget authority necessary to purchase vehicles may vary considerably on an annual basis. This cyclical variability is based on the number of vehicles that reach the end of their life cycle in any particular year.

**Operation and Maintenance Adjustment - (\$148,293).** Budget adjustments to various supply and service accounts to reflect actual expenses.

**Central Rates – (\$4,853).** There is a net increase in central rate charges driven mostly by a lower Insurance charge.

#### Wastewater Equipment Rental Revolving Fund 2007 Financial Plan

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated <sup>2</sup>	2007 Adopted	2008 Projected <sup>3</sup>	2009 Projected <sup>3</sup>
<b>Beginning Fund Balance</b>	4,769,091	3,842,236	4,142,061	3,502,959	3,419,715	3,512,662
<b>Revenues</b>						
* Investment Interest	130,252	118,719	118,719	118,719	140,661	120,128
* Sale of Equipment	61,268	142,208	142,208	125,205	117,663	260,208
* Other Miscellaneous Revenues	29,230	15,000	15,000	15,000	15,450	15,914
* Vehicle Rental Revenues	1,689,299	1,814,169	1,814,169	1,903,780	2,018,007	2,139,087
<b>Total Revenues</b>	<b>1,910,050</b>	<b>2,090,096</b>	<b>2,090,096</b>	<b>2,162,704</b>	<b>2,291,781</b>	<b>2,535,336</b>
<b>Expenditures</b>						
* Operating and Maintenance	(895,373)	(830,125)	(830,125)	(993,896)	(1,022,202)	(1,052,868)
* Capital Equipment Replacement	(1,641,956)	(1,422,079)	(1,422,079)	(1,252,052)	(1,176,631)	(2,602,075)
* 2005 - 2006 Carryover Encumbrances			(204,610)			
<b>Total Expenditures</b>	<b>(2,537,329)</b>	<b>(2,252,204)</b>	<b>(2,456,814)</b>	<b>(2,245,948)</b>	<b>(2,198,833)</b>	<b>(3,654,943)</b>
<b>Estimated Underexpenditures</b>						
<b>Other Fund Transactions</b>						
* Transfer of capital funds <sup>5</sup>		(272,384)	(272,384)			
* Other Fund Transactions ( per Loren Burt)	249					
<b>Total Other Fund Transactions</b>	249	(272,384)	(272,384)	0	0	0
<b>Ending Fund Balance</b>	<b>4,142,061</b>	<b>3,407,743</b>	<b>3,502,959</b>	<b>3,419,715</b>	<b>3,512,662</b>	<b>2,393,055</b>
<b>Reserves &amp; Designations</b>						
* Allowance for Inventory	(2,834)	(1,658)	(1,658)	(1,708)	(1,759)	(1,812)
* Contingency for Capital Improvement	(61,266)	(62,703)	(62,703)	(64,881)	(68,753)	(76,060)
* 2005-2006 Carryover Encumbrances	(204,610)					
<b>Total Reserves &amp; Designations</b>	<b>(268,710)</b>	<b>(64,362)</b>	<b>(64,361)</b>	<b>(66,589)</b>	<b>(70,512)</b>	<b>(77,872)</b>
<b>Ending Undesignated Fund Balance</b>	<b>3,873,351</b>	<b>3,343,382</b>	<b>3,438,598</b>	<b>3,353,126</b>	<b>3,442,150</b>	<b>2,315,183</b>
<b>Projected Fleet Replacement Cost (PFRC)</b>	14,635,080	15,963,787	15,963,787	18,041,225	18,582,462	19,139,936
<b>Percent of Proj. Fleet Repl. Cost</b>	26%	21%	22%	19%	19%	12%
<b>Target Fund Balance - 10% of PFRC <sup>4</sup></b>	<b>1,463,508</b>	<b>1,596,379</b>	<b>1,596,379</b>	<b>1,804,123</b>	<b>1,858,246</b>	<b>1,913,994</b>
<b>Target Fund Balance - 20% of PFRC</b>	<b>2,927,016</b>	<b>3,192,757</b>	<b>3,192,757</b>	<b>3,608,245</b>	<b>3,716,492</b>	<b>3,827,987</b>

#### Financial Plan Notes:

<sup>1</sup> 2005 Actuals are from the 2005 CAFR.

<sup>2</sup> 2006 Estimated is based on annualized revenue and expenditure report.

<sup>3</sup> 2008 and 2009 Projected are based on the following assumptions:

- a) Assumes 4% annual percentage rate on investment earnings.
- b) Assumes sale of equipment is 10% of annual capital expenditures.
- c) Assumes 3% annual increase in miscellaneous revenues as well as in operating and maintenance costs.
- d) Capital expenditures are based on replacement schedule based on established replacement standards for each type of vehicle.
- e) Contingency for capital improvement is estimated at 3% of annual revenues.

<sup>4</sup> Target Fund Balance, as recommended by the County Auditor, is equal to a range of 10% to 20% of the Projected Replacement Cost of the Fleet (PFRC).

<sup>5</sup> Share of Orcas St. O&M and tenant improvement Costs

## C O U N C I L   A D O P T E D   B U D G E T

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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*Council made no changes to the 2007 budget.*



# PHYSICAL ENVIRONMENT PROGRAM PLAN

## Airport 4290/0710

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	11,499,671	48.00	0.00
		Status Quo*	237,005	0.00	0.00
		<b>Status Quo Budget</b>	<b>11,736,676</b>	<b>48.00</b>	<b>0.00</b>
<b>Aging Facilities and Infrastructure</b>					
RB01		Infrastructure Support and Asset Replacement	649,874	0.00	0.00
			<b>649,874</b>	<b>0.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC39		Council COLA Adjustment	(8,427)	0.00	0.00
			<b>(8,427)</b>	<b>0.00</b>	<b>0.00</b>
<b>Funding and Fee Stability</b>					
AS01		Administrative Reduction - Staffing	(82,916)	(2.25)	0.00
			<b>(82,916)</b>	<b>(2.25)</b>	<b>0.00</b>
<b>Technical Adjustment</b>					
TA02		Adjustments to PSQ Budget.	(162,044)	0.00	0.00
TA03		Reflects technical changes to the PSQ Budget	35,711	0.00	0.00
TA05		Increase Cost of DOT Director's Office Overhead	65,219	0.00	0.00
TA24		Increase Cost of FMD Custodial Services	15,466	0.00	0.00
TA50		Revenue Adjustment	0	0.00	0.00
CR05		Current Expense Overhead Adjustment	(24,575)	0.00	0.00
CR06		Healthy Workplace Fund	(56)	0.00	0.00
CR07		Technology Services Operations & Maintenance Charge	1,641	0.00	0.00
CR08		Technology Services Infrastructure Charge	(2,003)	0.00	0.00
CR09		Geographic Information Systems Charge	2,172	0.00	0.00
CR10		Office of Information Resource Management Charge	(972)	0.00	0.00
CR11		Telecommunications Services	1,996	0.00	0.00
CR12		Telecommunications Overhead	746	0.00	0.00
CR15		Insurance Charges	(63,725)	0.00	0.00
CR16		Radio Access	3,755	0.00	0.00
CR17		Radio Maintenance	2,002	0.00	0.00
CR19		Radio Reserve Program	3,029	0.00	0.00
CR20		Prosecuting Attorney Civil Division Charge	7,383	0.00	0.00
CR21		Debt Service Adjustment	656,662	0.00	0.00
CR25		Financial Services Charge	(31,009)	0.00	0.00
CR39		COLA Adjustment	17,999	0.00	0.00
			<b>529,397</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>12,824,604</b>	<b>45.75</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

**PHYSICAL ENVIRONMENT PROGRAM PLAN**

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**Airport Construction Transfer 4290/0716**

Code	Item Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>				
	<i>PE</i>			
	2006 Adopted	270,000	0.00	0.00
	Status Quo*	0	0.00	0.00
	<b>Status Quo Budget</b>	<b>270,000</b>	<b>0.00</b>	<b>0.00</b>
NC01	No Change Items Requested for this Budget	0	0.00	0.00
		<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Technical Adjustment</b>				
TA10	Operating Transfer to CIP	1,130,000	0.00	0.00
		<b>1,130,000</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>		<b>1,400,000</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

Proviso(s):

EXPENDITURE RESTRICTION:

Of this appropriation, \$60,000 shall be expended solely for the LDA Noise Impact Study.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Airport**

The 2007 Executive Proposed Budget for the King County International Airport's (KCIA) assumes that operations in 2007 will remain essentially the same as in 2006. The budget does not include any redevelopment proposals or major changes in operating structure. With runway work completed in 2006, the Airport expects landing fee revenues to rebound in 2007. The proposed adjustments to the budget emphasize infrastructure management, maintenance of airport systems, and improved service.

#### **Funding and Fee Stability**

KCIA strives to stabilize the operating fund through reductions that also improve systems and infrastructure sustainability.

**Administrative Reduction/ Staffing – (\$82,916) and (2.25) FTEs.** This proposed budget adjustment supports the elimination of two vacant utility positions. To increase efficiency and encourage infrastructure and systems sustainability, KCIA will transition to using seasonal labor and add shift differential pay to provide more services during swing and graveyard shifts.

#### **Aging Facilities and Infrastructure**

The KCIA is emphasizing reinvestment in its aging buildings and infrastructure in order to maintain its viability as a major aviation center and economic engine for the region.

**Infrastructure and Asset Replacement -- \$649,874.** This proposal supports goals outlined in the Airport's business plan through investment in infrastructure and systems sustainability. This adjustment includes the maintenance and replacement of several vehicles, and infrastructure improvements including runway painting, rubber removal, and maintenance of the Airport's flight tracking and management systems.

#### **Technical Adjustments:**

**Adjustments to PSQ Budget -- (\$162,044).** This proposed budget adjustment supports miscellaneous adjustments that net to a \$162,044 reduction. These adjustments realign costs and provide for cost increases associated with higher petroleum costs.

**Airport Rescue and Fire Fighting (ARFF) Services Contract Changes -- \$35,711.** This proposed budget adjustment reflects increases in the ARFF contract costs with the Sheriff's Office.

**Custodial Services Adjustment -- \$15,466.** This proposed adjustment reflects increases to the cost of custodial services for Airport facilities.

**Central Rate Adjustments -- \$622,265.** Central rate adjustments include: CX Overhead, ITS Infrastructure and O&M, Telecommunications Services and O&M, Finance, Insurance, Limited Tax Bond, PAO, Industrial Insurance, Radio Equipment and Service, GIS O&M, Healthy Workplace Fund, COLA, and DOT Director's Office Overhead.

## PHYSICAL ENVIRONMENT PROGRAM PLAN

### King County International Airport/ 4290

	2005 Actual <sup>1</sup>	2006 Adopted	2006 Estimated	2007 Proposed	2008 Projected	2009 Projected
<b>Beginning Fund Balance</b>	<b>3,332,266</b>	<b>1,575,869</b>	<b>2,803,329</b>	<b>2,580,730</b>	<b>1,634,976</b>	<b>1,320,230</b>
<b>Revenues</b>						
Operating	11,519,250	10,739,633	11,975,048	12,958,235	13,104,125	13,742,732
Aircraft Parking Rev Transfer to Hush Hse <sup>5</sup>	(139,278)		(130,370)			
<b>Total Revenues</b>	<b>11,379,972</b>	<b>10,739,633</b>	<b>11,844,678</b>	<b>12,958,235</b>	<b>13,104,125</b>	<b>13,742,732</b>
<b>Expenditures</b>						
Operating Expenditures	(8,176,162)	(9,190,308)	(9,190,308)	(9,822,861)	(10,117,547)	(10,421,073)
Expenditure Reductions to be identified					25,000	155,000
ARFF KCSO Contract <sup>2</sup>	(2,190,157)	(2,309,363)	(2,357,563)	(2,345,074)	(2,462,328)	(2,585,444)
2001 Bond Debt <sup>6</sup>				(656,669)	(664,481)	(690,681)
2005 Encumbrance Carryover			(101,900)			
1st Qtr Omnibus Request			(450,000)			
<b>Total Expenditures</b>	<b>(10,366,319)</b>	<b>(11,499,671)</b>	<b>(12,099,771)</b>	<b>(12,824,604)</b>	<b>(13,219,356)</b>	<b>(13,542,198)</b>
<b>Estimated Underexpenditures <sup>3</sup></b>	<b>0</b>	<b>287,492</b>	<b>302,494</b>	<b>320,615</b>	<b>330,484</b>	<b>338,555</b>
<b>Other Fund Transactions</b>						
Class/Comp prior period Adjustment	(11,820)					
Inventory Adjustment	(10,510)					
Operating transfer to CIP	(1,520,260)	(270,000)	(270,000)	(1,400,000)	(530,000)	(470,000)
<b>Total Other Fund Transactions</b>	<b>(1,542,590)</b>	<b>(270,000)</b>	<b>(270,000)</b>	<b>(1,400,000)</b>	<b>(530,000)</b>	<b>(470,000)</b>
<b>Ending Fund Balance</b>	<b>2,803,329</b>	<b>833,323</b>	<b>2,580,730</b>	<b>1,634,976</b>	<b>1,320,230</b>	<b>1,389,318</b>
<b>Reserves &amp; Designations</b>						
Encumbrance	(101,900)					
<b>Total Reserves &amp; Designations</b>	<b>(101,900)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Undesignated Fund Balance</b>	<b>2,701,429</b>	<b>833,323</b>	<b>2,580,730</b>	<b>1,634,976</b>	<b>1,320,230</b>	<b>1,389,318</b>
<b>Target Fund Balance <sup>4</sup></b>	<b>1,137,997</b>	<b>1,073,963</b>	<b>1,184,468</b>	<b>1,295,824</b>	<b>1,310,413</b>	<b>1,374,273</b>

#### Financial Plan Notes:

<sup>1</sup> Revenue and Expenditures are based on 14th month ARMS report and projections.

<sup>2</sup> 5% increase based on historical data

<sup>3</sup> 2.5% of total expenditures

<sup>4</sup> 10% of total revenue

<sup>5</sup> Assuming Hush House project will be cancelled and no hangars revenue will be transferred to Hush House Fund.

<sup>6</sup> Bond Debt is currently paid from CIP Fund. The 2007 Proposed budget shifts this expenditures from the CIP fund to the operating fund.

<sup>7</sup> Expenditure reductions to be identified if expense and revenue growth occurs as projected.

## COUNCIL ADOPTED BUDGET

**COLA Decrease – (\$8,427).** Only after submission of the Executive Proposed Budget did more current Consumer Price Index (CPI) information become available. The September-to-September CPI percentage change is the figure historically utilized by the county to calculate the annual COLA increase for non-represented and represented county employees. The updated CPI information necessitated decreasing COLA funding from the proposed level of 2.26% to 2.00%. For this agency's budget, this represents a reduction of \$8,427 in the 2007 budget.

**PHYSICAL ENVIRONMENT PROGRAM PLAN****Physical Environment CX Transfers 0010/0697**

Code	Item	Description	Expenditures	FTEs *	TLTs
<b>Program Area</b>					
		<i>PE</i>			
		2006 Adopted	6,091,483	0.00	0.00
		Status Quo*	640,891	0.00	0.00
		<b>Status Quo Budget</b>	<b>6,732,374</b>	<b>0.00</b>	<b>0.00</b>
<b>Annexation</b>					
PC05		Parks - East Renton Annexation	(5,623)	0.00	0.00
PC13		Parks - South Cove Annexation	(8,837)	0.00	0.00
			<b>(14,460)</b>	<b>0.00</b>	<b>0.00</b>
<b>Council Changes</b>					
CC01		Transfer to DDES for Phone Service Monitoring	35,000	0.00	0.00
			<b>35,000</b>	<b>0.00</b>	<b>0.00</b>
<b>Expanded Service Delivery</b>					
PC03		DDES - Critical Areas Rural Permit Coordinator	151,745	0.00	0.00
			<b>151,745</b>	<b>0.00</b>	<b>0.00</b>
<b>Risk Management</b>					
PC01		DDES - CX Salary and Wage Adjustments	57,704	0.00	0.00
PC04		DDES - Adjustments to Overhead Cost Model	10,000	0.00	0.00
			<b>67,704</b>	<b>0.00</b>	<b>0.00</b>
<b>2007 Adopted Budget</b>			<b>6,972,363</b>	<b>0.00</b>	<b>0.00</b>

\* FTEs do not include temporaries or overtime.

\*\* This includes 2006 adopted, initial status quo, and proposed status quo increments. Under FTEs, annualization is included.

## **PHYSICAL ENVIRONMENT PROGRAM PLAN**

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### **Physical Environment General Fund Transfers**

#### **Annexation**

Parks – East Renton Annexation – (\$5,623)

Parks – South Cove Annexation – (\$8,837)

#### **Expanded Service Delivery**

DDES – Critical Areas Rural Permit Coordinator - \$151,745

#### **Risk Management**

DDES – CX Salary and Wage Adjustments - \$57,704

DDES – Adjustments to Overhead Cost Model - \$10,000

Please see the DDES, WLRD, and Parks program pages for a full description of the transfers listed above.

### ***C O U N C I L   A D O P T E D   B U D G E T***

***Transfer to DDES for Phone Service Monitoring - \$35,000.***

## PHYSICAL ENVIRONMENT PROGRAM PLAN

Physical Environment Program Area						
	2005 Adopted		2006 Adopted		2007 Adopted	
	Expenditures	FTEs	Expenditures	FTEs	Expenditures	FTEs
<b>Development and Environmental Services</b>						
DEVELOPMENT & ENVIRONMENT SVCS	29,846,796	235.50	31,344,762	234.50	33,235,509	237.50
	<b>29,846,796</b>	<b>235.50</b>	<b>31,344,762</b>	<b>234.50</b>	<b>33,235,509</b>	<b>237.50</b>
<b>Natural Resources</b>						
PARKS & RECREATION 2004 LEVY	20,534,400	155.01	20,888,426	149.06	23,084,309	155.98
WASTEWATER TREATMENT DIVISION	86,860,000	598.70	92,951,393	598.70	95,690,309	598.70
SW POST CLOSURE LF MAINT	3,148,029	1.00	4,683,229	1.00	3,639,005	1.00
RIVER IMPROVEMENT	4,199,573	12.50	4,100,111	11.50	5,143,918	12.00
SURFACE WATER MGT FUND	39,827,171	329.26	27,025,497	208.42	28,923,992	211.92
RURAL DRAINAGE	4,331,854	-	22,055,911	112.90	24,117,101	114.15
NOXIOUS WEED FUND	1,172,602	6.00	1,264,459	11.36	1,306,620	11.36
YOUTH SPORTS FAC GRANT FUND	934,490	1.00	1,062,410	1.00	595,166	1.00
INTERCOUNTY RIVER IMPROVEMENT	124,925	-	52,985	-	102,795	-
SOLID WASTE OPERATING	89,455,062	433.80	96,916,619	442.40	106,584,216	452.45
DNRP GIS INTERNAL SVC FUND	3,531,863	31.00	3,759,576	31.00	4,241,888	31.00
	<b>254,119,969</b>	<b>1,568.27</b>	<b>274,760,616</b>	<b>1,567.34</b>	<b>293,429,319</b>	<b>1,589.56</b>
<b>Transportation</b>						
STORMWATER DECANT PRGM	517,355	-	527,868	-	531,218	-
ROADS	66,439,373	584.70	71,323,202	577.21	75,053,797	600.73
PUBLIC TRANSPORTATION	366,183,944	3,740.43	472,157,681	3,808.10	507,398,899	3,865.75
AIRPORT	10,860,027	48.00	11,499,671	48.00	12,824,604	45.75
TRANSIT REVENUE FLEET REPL	9,321,375	-	2,837,421	-	6,456,867	-
WTR POLUTN CNTRL EQPT	2,565,461	-	2,524,588	-	2,245,948	-
PUBLIC WORKS EQUIP RENTAL	10,987,809	55.00	9,894,452	55.00	11,048,333	56.00
MOTOR POOL EQUIP RENTAL	10,019,005	21.00	9,952,888	21.00	10,854,791	21.00
	<b>476,894,349</b>	<b>4,449.13</b>	<b>580,717,771</b>	<b>4,509.31</b>	<b>626,414,457</b>	<b>4,589.23</b>
<b>Total Physical Environment</b>	<b>760,861,114</b>	<b>6,252.90</b>	<b>886,823,149</b>	<b>6,311.15</b>	<b>953,079,285</b>	<b>6,416.29</b>